



Daily Report

East Asia

FBIS-EAS-94-004
Thursday
6 January 1994

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FBIS-EAS-94-004

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6 January 1994

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Japan

Tokyo, U.S. Remain 'Apart' on Telecom Trade

OW0601054694 Tokyo KYODO in English 0548 GMT
6 Jan 94

[Text] Washington, Jan. 5 KYODO—Japan and the United States remained apart Wednesday [5 January] after two days of working-level negotiations on Japanese Government procurements of U.S. telecommunications equipment, sources close to the Japanese side said.

Telecoms is one of the four priority areas in ongoing bilateral trade framework talks. The negotiators are scheduled to wind up their discussions before February 11, when Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton meet to assess the entire talks.

According to the sources, this week's discussions centered on how to determine objective criteria in the telecoms field to measure any progress.

The U.S. asked Japan to use the average market share of foreign products in other developed nations as the objective criteria, but Japan did not agree, they said. They said the U.S. is looking for indicators which can be used to measure concrete progress, but Japan is concerned that such indicators would be regarded as targets to which it would be required to meet.

If the working-level negotiators cannot come closer to agreement on the issue, the decision may have to be left to subcabinet-level talks, the sources said.

They said the negotiators also discussed whether purchases by Nippon Telegraph and Telephone Corp. and other large organizations should be included in the category of the government procurement, but no agreement was reached on this point either.

Hata Not 'Fully Informed' of U.S.-DPRK Accord

OW0601034494 Tokyo KYODO in English 0329 GMT
6 Jan 94

[Text] Tokyo, Jan. 6 KYODO—Foreign Minister Tsutomu Hata said Thursday [6 December] he has not yet been fully informed of an agreement between the United States and North Korea on the latter's acceptance of international inspections of all seven of its declared nuclear facilities.

Hata was speaking to reporters after a morning cabinet meeting in the wake of a senior U.S. official's remarks Wednesday that North Korea has agreed to accept inspections by the International Atomic Energy Agency (IAEA).

The foreign minister said he nevertheless hopes that the U.S.-North Korean talks will result in Pyongyang's staying in the nuclear Nonproliferation Treaty (NPT) and accepting inspections. Asked if progress on that score would lead to a resumption of talks between Japan

and North Korea on normalization of diplomatic relations, Hata said he hopes that will be the case.

U.S. Undersecretary of State Lynn Davis told reporters in Washington on Wednesday of the agreement with North Korea. Davis said the IAEA will be holding talks shortly with North Korea to work out procedures to carry out inspections of the seven declared nuclear sites.

The announcement capped seven months of secret negotiations between Washington and Pyongyang over the nuclear inspection issue.

Hata's PRC Visit's Focus, Agenda Discussed

OW0601071894 Tokyo KYODO in English 0717 GMT
6 Jan 94

[Text] Tokyo, Jan. 6 KYODO—North Korea's suspected nuclear weapons development and Japan's plan to shorten its aid programs for China are high on the agenda for talks between Foreign Minister Tsutomu Hata and Chinese leaders during his weekend visit to Beijing, officials said Thursday [6 January].

Hata, also deputy prime minister, will hold separate talks on Saturday with Chinese Foreign Minister Qian Qichen and Premier Li Peng, and will meet President and Communist Party General Secretary Jiang Zemin on Sunday before returning to Tokyo later in the day.

Talks between Hata and Qian, who met twice last year—in New York in late September and again in Seattle in November—will cover bilateral and international affairs, Foreign Ministry officials said.

The two foreign ministers will discuss the situation on the Korean peninsula as well as problems concerning North Korea's suspected development of nuclear weapons, the officials said.

Japan is likely to call on China to urge Pyongyang to accept international inspections of its nuclear facilities, since Beijing has the "largest official channel" with Pyongyang, they said.

In talks with Prime Minister Morihiro Hosokawa in Seattle, Jiang pledged that Beijing will use its influence with Pyongyang "on the plus side" and would not exert influence that could turn into "a minus."

Hata may also urge China to agree to a comprehensive ban on nuclear testing, the officials said.

Japan wants China to engage in negotiations expected to begin this year in Geneva on a treaty for a global ban on nuclear testing.

China conducted an underground nuclear test in October despite Qian's speech at the United Nations General Assembly in September to open test ban talks as early as possible.

Hata is expected to voice Japan's support for China's bid to join the General Agreement on Tariffs and Trade (GATT), the officials said.

Hata and Qian will also discuss the two nations' roles in the Asia-Pacific Economic Cooperation (APEC) forum, review APEC's activities and also discuss the upcoming Association of Southeast Asian Nations (ASEAN) regional forum, they said.

On bilateral issues, Hata will tell Qian about Japan's new aid programs for China after the current five-year loan program winds up at the end of fiscal 1995, in March 1996, they said.

According to ministry sources, Japan plans to shorten the duration of the aid programs from the current five or six years to three years starting in fiscal 1996. Japan has extended yen-denominated loans to China under five- or six-year programs since 1979, making China the only yen loan recipient under a program lasting more than one year.

China has been reluctant to accept a single-year program because it follows multiyear economic planning, the sources said. Under the current 1990-1995 loan program, Japan is extending 528.2 billion yen to finance 42 Chinese projects.

Hata and Qian may also discuss plans to conclude a bilateral treaty on the environment, which would enable Japanese and Chinese experts to conduct a joint survey on acid rain and other environmental problems, they said.

Tokyo, Seoul Sending Survey Team to Sakhalin

*OW0601114694 Tokyo KYODO in English 1054 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—Japan and South Korea will send a joint survey team to Russia's Sakhalin Island next week to find out how many South Koreans left there after World War II want to permanently return to their homeland, the Foreign Ministry said Thursday [6 January].

The joint team will go to Sakhalin for three days from Monday in line with an agreement reached in November between South Korean President Kim Yong-sam and Prime Minister Morihiro Hosokawa in Kyongju, South Korea.

During the talks, Kim asked Japan to help in arranging the temporary or permanent return of Koreans who were forcibly taken by the Japanese authorities to Sakhalin before and during World War II and were left behind when Japan evacuated the island as Soviet troops advanced.

An estimated 150,000 Koreans were forcibly moved to Sakhalin, the southern half of which was ruled by Japan from 1905 until the end of the war. More than 40,000 still live on the island.

The Japanese team will be made up of officials from the Foreign Ministry and the Japanese Red Cross Society, the ministry said.

The members of the joint survey team will hold talks with officials of the Sakhalin government and concerned organizations to determine the number of South Koreans wishing to return to South Korea, it said.

European Union Said To End Curbs on Some Goods

*OW0601022194 Tokyo KYODO in English 0142 GMT
6 Jan 94*

[Text] Brussels, Jan. 5 KYODO—The European Union (EU) has officially abolished discriminatory curbs adopted by some of its member states against some import items from Japan, Japanese Government sources in Brussels said Wednesday [5 January].

The 12-nation union agreed in December to scrap import quotas on 44 Japanese-made items imposed by France, Italy, Spain, Portugal and Greece. The 44 items include cars, automotive components, motorcycles, fruit juice and natural honey.

The import restrictions on about half of them had already been dropped separately by the five countries, so the EU decision affects 24 products which were still subject to restrictions.

The sources said the EU also agreed to end discriminatory treatment of imports from other members of the General Agreement on Tariffs and Trade (GATT), and countries in Central and Eastern Europe.

Takemura: Tokyo Wants 'Stable' Yen Movements

*OW0601024394 Tokyo KYODO in English 0238 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—Japan hopes for "stable" movements of the yen in foreign currency trading, Chief Cabinet Secretary Masayoshi Takemura said Thursday [6 January].

"Exchange rates are a reflection of economic fundamentals, and therefore their stable movements are desirable," the top government spokesman said at a news conference. But he declined further comment, saying the matter should be up to the currency market.

Citing the German mark's weakness vis-a-vis the U.S. dollar, Takemura said the yen is not necessarily easing but the American currency is firming.

Since the turn of the year, the dollar has been trading above 113 yen in world currency markets. It opened Tokyo dealings on Thursday at 113.33 yen, up 0.21 yen from Wednesday's close.

Price of Imported Rice Reflects 'Gap in Quality'

*OW0601040194 Tokyo KYODO in English 0339 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—Farm Minister Eijiro Hata said Thursday [6 January] the price of foreign rice imported as an emergency measure will be determined after giving due consideration to the gap in quality with domestically produced rice.

Hata told a press conference after the year's first cabinet meeting that the government intends to set the price at levels which can meet consumers' demand for less expensive rice. The price of domestic rice "will be the yardstick" for that of foreign rice, he said.

Hata added a ministry panel, the Rice Price Council, will be called soon to give its views.

Japan plans to import a total of 1.9 million tons of rice by the end of March. The imports, the first in a decade, were forced by poor harvests last year—the worst of the postwar period—due to the unusually wet and cool summer.

Finance Minister Denies Fiscal Action Delayed

*OW0601114794 Tokyo KYODO in English 1143 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—Finance Minister Hirohisa Fujii dismissed reports Thursday [6 January] that a new economic package may be further delayed, and reaffirmed the government's plan to compile it by around the middle of this month. Fujii said there was no change in the timing of the package which Prime Minister Morihiro Hosokawa instructed Economic Planning Agency Director General Manae Kubota late last year to compile by "around mid-January."

Reports of a possible delay in the package circulated after the fourth gathering Thursday of ministers and coalition parties leaders to discuss economic problems failed to come up with a timetable. "I didn't get such a nuance" from the meeting, Fujii said, adding that the mood was to decide on the schedule.

Concerning an income tax cut which is reportedly the major issue in the discussions, Fujii said that a decision on whether or not to include it in the new package has not been made but will come by mid-January, as Hosokawa pledged to the Diet.

Asked about the dollar-yen rate, Fujii declined to comment on remarks by U.S. Treasury Secretary Lloyd Bentsen sounding a warning on the yen's recent setback against the dollar.

Fujii said the finance ministers of the Group of Seven industrial nations agreed in September that exchange rates should reflect economic fundamentals.

The agreement "has not changed and should not be changed," Fujii said, adding that he is "closely watching the market situation."

Bentsen said Wednesday that "allowing the yen to slide is not an acceptable way out of recession for Japan." His comment followed remarks by a Japanese Government official, speaking anonymously, who called for a rate of 115 yen to the dollar because a cheaper yen would have a "favorable impact" on the Japanese economy.

Postal Ministry Seeks Bank Demand Deposits Data

*OW0601125594 Tokyo KYODO in English 1226 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—The Posts and Telecommunications Ministry has asked the Finance Ministry to force commercial banks to disclose details of their fund operations concerning demand deposits, Postal Ministry officials said Thursday [6 January]. The request was made in connection with the scheduled liberalization of interest rates on ordinary postal savings, equivalent to bank demand deposits, within this year.

The Finance Ministry says that after liberalization, the interest rate on ordinary postal savings should be based on demand deposit interest rates, which are lower.

In that case, the postal ministry says, the banks should be required to disclose detailed information on their demand deposit fund operations.

Currently, the annual interest rate on ordinary postal savings is set at 1.32 percent, while that on bank demand deposits is 0.22 percent.

Minister Views Multimedia Market Growth, Value

*OW0601043894 Tokyo KYODO in English 0406 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—The country's multimedia market will be worth 123 trillion yen in the year 2010 if the telecommunications infrastructure is improved, Posts and Telecommunications Minister Takenori Kanzaki said Thursday [6 January]. Unveiling a "vision" for Japan's policies for the information and telecom industries in the 21st century, Kanzaki told a press conference after this year's first cabinet meeting that the market has the potential to create 2.4 million jobs by that year.

Kanzaki's estimates are based on an assumption that every household in Japan is equipped with optical fibers, capable of transmitting light which can carry far more information than traditional copper wire.

The nation's fast-growing multimedia market had a scale of 16 trillion yen in 1990. Multimedia is the communicating of information in more than one form and

includes the use of text, audio, graphic, animated graphic, and full-motion video formats.

The minister said the government needs to take various measures to nurture multimedia and other information and telecom industries, seen as one of the key sectors for the future Japanese economy. He cited improvement of the information and telecom infrastructure, promotion of new businesses, lessening segregation between the telecommunications and broadcasting sectors, and international collaboration as the chief goals for the government.

In detail, Kanzaki said the telecommunications council, an advisory body to the posts and telecom minister, plans to come up with proposals on the problem of infrastructure.

Proposed new businesses include English-language FM broadcasting, which foreign residents have been requesting, he said. Also considered is greater exchanges of information with the United States and the European Union on regulations for these sectors.

Government Decides To Set Up Unemployment Team

*OW0601043794 Tokyo KYODO in English 0424 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—The government decided at a cabinet meeting on Thursday [6 January] to set up an emergency task force to tackle the job situation in Japan, Chief Cabinet Secretary Masayoshi Takemura said. The task force, headed by Prime Minister Morihiro Hosokawa, will hold its first meeting on Thursday evening to discuss possible agenda items and a timetable for its activities, the top government spokesman told a news conference.

The establishment of a government team on employment is the first since 1986 under the administration of Prime Minister Yasuhiro Nakasone, when the nation was smarting from a sharp appreciation of the Japanese yen against the dollar.

The task force comprises all cabinet ministers except for the justice minister. Foreign Minister and Deputy Prime Minister Tsutomu Hata was appointed acting head of the body.

Deputy heads of the body are Economic Planning Agency Chief Manae Kubota, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai, Labor Minister Chikara Sakaguchi, Home Affairs Minister Kanju Sato and Takemura.

Akira Yamagishi, chairman of the eight million-strong Japanese Trade Union Confederation (Rengo), has been seeking the establishment of a government task force on employment as the nation's job situation is rapidly worsening.

Government reports show the ratio of job openings to job seekers fell to a seasonally adjusted 0.65 in November, off 0.02 percentage point from October, while the nation's unemployment rate in the month climbed to a seasonally adjusted 2.8 percent, up 0.1 percentage point.

Hosokawa Heads New Task Force

*OW0601112694 Tokyo KYODO in English 1127 GMT
6 Jan 94*

[Text] Tokyo, Jan. 6 KYODO—A new government task force headed by Prime Minister Morihiro Hosokawa held its first meeting Thursday [6 January] to discuss ways to overcome the severe employment situation in Japan, Deputy Chief Cabinet Secretary Yukio Hatoyama said. The 30-minute meeting at the prime minister's official residence opened with a briefing by a Labor Ministry official on the current employment situation followed by discussion, Hatoyama told a news conference.

The official cited some depressing data on the nation's job situation, including recent government reports showing the ratio of job openings to job seekers fell to 0.65 in November, off 0.02 percentage point from October, while the nation's unemployment rate in the month rose 0.1 percentage point to 2.8 percent, the highest since August 1987.

The task force comprises the entire cabinet except for the justice minister. Foreign minister and deputy prime minister Tsutomu Hata serves as acting head of the body.

Deputy heads of the body are Chief Cabinet Secretary Masayoshi Takemura, Economic Planning Agency (EPA) Chief Manae Kubota, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai, Labor Minister Chikara Sakaguchi and Home Affairs Minister Kanju Sato.

At the meeting, Hosokawa instructed the cabinet ministers present to do their utmost to secure employment for the sake of the public's welfare, Hatoyama said.

Some participants explained about their respective ministries' and agencies' efforts to tackle the job problems facing the nation, he added.

Education Minister Ryoko Akamatsu and Kubota of the EPA spoke of the need to ensure employment of female university graduates. Akamatsu was quoted as saying female university students' dissatisfaction with sexual discrimination should be removed.

Hatoyama told reporters that no specific timetable was set for the task force's activities.

It is the first government team on employment to be created since 1986 under Prime Minister Yasuhiro Nakasone, when the nation was again suffering from the yen's sharp appreciation against the dollar.

Akira Yamagishi, chairman of the eight million-member Japanese Trade Union Confederation (Rengo), has been seeking the establishment of a government task force on employment to cope with the nation's rapidly worsening job situation.

North Korea

Daily on Comments by South's JCS Chairman

SK0601043894 Pyongyang KCNA in English 0427
GMT 6 Jan 94

["South Korean Puppets Must Act With Discretion"—KCNA headline]

[Text] Pyongyang, January 6 (KCNA)—A few days ago, the South Korean puppet chairman of Joint Chiefs of Staff [JCS] talked about "prompt retaliation" and "completion of military preparedness" against the North, and the puppet Army, Navy and Air chiefs of staff waxed eloquent about "looks of an invincible Army" and "establishment of emergency combat preparedness."

NODONG SINMUN today, commenting on that, says: The South Korean warlikers incited confrontation and war from the beginning of the year because they intend to continue to seek confrontation, not national unity and reconciliation, and make more vicious military adventures against the North on the ground and the sea and in the sky this year.

The news analyst goes on:

It is ill-boding that the puppet military bosses of South Korea dared let out bellicose outcries from the beginning of the year.

What draws particular attention is that the South Korean puppets cried for "maintenance of firm relations of military cooperation" with the United States and "effective operation of the quick deployment deterrent force."

Thus, they revealed their intention to commit more undisguised criminal acts against fellow countrymen this year in collusion with outside forces. The traitorous nature of Kim Yong-sam hell-bent on doing harm to fellow countrymen in conspiracy with outside forces far from working for reunification through national reconciliation and unity has been brought to light from the beginning of the year.

If the puppets persist in confrontation and war like a puppy knowing no fear of a tiger, they will get nothing good.

South Berated for 'Dependence on Outside Forces'

SK0601021194 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 5 Jan 94

[Text] Wearing the horsehair cap of a civilian-led government, the present regime in South Korea runs counter

to the unanimous desire of the 70 million fellow countrymen by advancing on the road of dependence on outside forces and North-South confrontation, thereby further revealing treacherous colors with each passing day. The Kim Yong-sam puppet clique is further clinging to outside forces while looking for a way to perpetuate the present national division.

This is exemplified by traitor Kim Yong-sam's promise to provide \$3 billion every year for the upkeep of the U.S. imperialist aggression forces occupying South Korea in the two rounds of summit talks with the United States and the annual South Korean-U.S. Security Consultative Meeting held in July and November last year in which he begged for the U.S. imperialist aggression forces' permanent occupation of South Korea.

In a bid to nail the U.S. imperialist aggression forces down in South Korea at all costs, the Kim Yong-sam clique not only allowed the United States in last April and May to utilize ports in South Korea freely in an emergency according to the aggressive and treacherous Wartime Host Nations Support Agreement, but also took the treacherous step of allowing the U.S. 7th Air Force continuous use of the U.S. Air Force's installations and facilities which had been returned to South Korea.

Particularly, we cannot overlook the fact that the Kim Yong-sam clique has given the South Korean rice market to its U.S. masters in order to seek an international cooperative system to crush [apsal] their own fellow countrymen despite the South Korean people's unanimous objection. This is a treacherous act that can be committed only by traitors who have inherited the dirty blood of the five enemies of the Ulsa Treaty.

Caught up in its maneuvers to perpetuate division, the puppet clique is clinging to the forces of Japanese military aggressors without hesitation in order to find a way to survive. During secret talks with the Japanese prime minister who visited South Korea in early November last year, the Kim Yong-sam clique promised that he would forget past nefarious atrocities committed by Japanese imperialists against the Korean people in return for Japan's cooperation in the settlement of the nuclear issue.

The Kim Yong-sam puppet government is much more vicious than previous puppet governments in aggravating North-South confrontation. The warmaniacs of civilian government incite the spirit of war and northward invasion by making indiscriminate and violent war remarks like the so-called military countermeasure or full readiness, under the pretext of non-existent nuclear development in the North.

The Kim Yong-sam group have appropriated a great amount of money from the budget, over ten trillions, for military expenditures this year, as never before attempted by any previous dictators, thus revealing their true nature as warmaniacs.

'Traitorious Government of Kim Yong-sam' Denounced*SK0601113694 Pyongyang KCNA in English 1009
GMT 6 Jan 93*

[**'Traitorous 'Civilian'-Veiled Group Shunning Fellow Countrymen and Depending on Outside Forces'**—KCNA headline]

[Text] Pyongyang, January 6 (KCNA)—NODONG SINMUN today comes out with an article denouncing the Kim Yong-sam puppet clique for sticking to the policy of thinking more of outside forces than of fellow countrymen and depending on those forces, while ignoring the principle of national independence, the basic principle in the settlement of the reunification question.

The author of the article says:

Kim Yong-sam, taking office, said that no outside forces could "be better than the nation." This was, however, an empty talk to cheat and flout the people.

This is proved, first of all, by the fact that his clique intends to leave South Korea under foreign domination and yoke indefinitely, begging of outside forces "protection" and "security assistance."

Whenever the traitor Kim Yong-sam met with his U.S. master, he implored for a permanent U.S. military occupation of South Korea, saying that U.S. troops must not be withdrawn from there. He even committed himself to a greater burden share for the maintenance of the aggressor forces in return for the shelving of the "U.S. troop cutback plan."

His clique describes the U.S. troops present in South Korea as "a war deterrent" and extols them as "apostles of peace."

The Kim Yong-sam puppet clique's dependence on outside forces finds another graphic expression in the fact that it is seeking North-South confrontation in collusion with outside forces while refusing to join hands with fellow countrymen who call for a solution of the problem of peace and peaceful reunification of the country with the concerted effort of the nation.

On the pretext of the "nuclear problem" of the North, the Kim Yong-sam puppet government broke up the North-South dialogue and exchange which had taken place under the "fifth and sixth republics".

It frequently staged large-scale nuclear war exercises including the Team Spirit joint military maneuvers in an attempt to put the brake on the progress of the DPRK-USA talks for the solution of the nuclear issue on the Korean peninsula. Especially, the puppets ran amok to establish an "international cooperation system" and have "sanctions" taken against fellow countrymen.

For the establishment of the "international cooperation system," they even opened the rice market of South

Korea to the U.S. master, wiped off the slate Japanese imperialists' crimes in their invasion of Korea in the past and defended Japan's nuclear armament and overseas expansion.

With this traitorous "government" and traitor left intact in South Korea, national unity and peaceful reunification are impossible and the nation inevitably falls a victim to outside forces.

The South Korean people will never tolerate the traitorous "government" of Kim Yong-sam turning the back on the nation and depending on outside forces.

Chondoist Chongu Party Supports Reunification*SK0601042594 Pyongyang KCNA in English 0416
GMT 6 Jan 94*

[Text] Pyongyang, January 6 (KCNA)—Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party, issued a statement on January 5 supporting the policy of national reunification clarified by the great leader President Kim Il-song in his New Year address for 1994.

"It is an intolerable national misfortune that our homogeneous nation who has glorified its 5,000 year long history with Tangun as its father is still living, divided into the North and South for nearly half a century, failing to remove the tragedy of national split forced on it by outside forces," she said, adding that the cause of national reunification must be achieved at an early date to meet the unanimous, ardent aspirations of the whole nation and hand down the reunified country to the posterity.

She pointed out that the South Korean authorities, however, ignoring the DPRK's magnanimous proposals and sincere efforts, have staged large-scale military exercises against the DPRK frequently in collusion with foreign forces and have been jeopardizing North-South relations by clamouring for "military counteraction" and an "international cooperation system" on the pretext of its "nuclear problem".

"This shows that the South Korean chief executive's 'promise' to place the nation above anything else in the discussion of the reunification question was a sheer lie and that the present 'regime' too is a flunkeyist, traitorous 'regime', an anti-national fascist 'regime' and a separatist 'regime' that does not differ from the successive military dictatorial regimes," she said, and stressed:

"If the South Korean authorities really want a solution of the national reunification question, they must, though belatedly, stop their anti-national acts to harm and stifle the same fellow countrymen by dancing to the 'nuclear' tune of outside forces and must turn to the stand of national independence, not hinder the nuclear problem on the Korean peninsula from being solved fairly through DPRK-USA talks but join in the efforts to

achieve national reconciliation and unity in response to our 10-point programme of the great unity of the whole nation."

Foreign Media Report on Kim Il-song's Address

SK0601041694 Pyongyang KCNA in English 0407
GMT 6 Jan 94

[Text] Pyongyang, January 6 (KCNA)—Foreign media gave publicity to the New Year address of the great leader President Kim Il-song for 1994.

The gist of the New Year address was reported by the Nepalese papers HINDU DAINIK, NEPAL POST and KUER PRASAD, the BBC television of India, the SANA News Agency, radio and television of Syria, the Syrian papers AL-SAURA and TISHRIN and the Thai paper BANGKOK POST.

The Yemeni paper AL-THAWRAH January 2 said:

"President Kim Il-song of the Democratic People's Republic of Korea in his New Year address said it is the United States that has created the fictitious 'doubt about nuclear development by the North', and it is the United States that has actually shipped nuclear weapons into the Korean peninsula and has been threatening the Korean people.

"Pressure or threat will have no effect on the Korean people, President Kim Il-song said, warning that such an attempt may invite catastrophe, far from finding a solution to the problem.

"He stressed that the nuclear problem on the Korean peninsula must on any account be settled through Korea-U.S. talks."

The Malaysian paper STAR January 2 quoted President Kim Il-song as saying "since a joint statement has been adopted by Korea and the United States, the nuclear problem on the Korean peninsula can be settled fairly if both sides keep and implement the principles that have been agreed upon."

The Malaysian radio and television and newspaper NEW STRAITS TIMES also reported the same content.

Foreign Leaders Greet Kim Chong-il on New Year

SK0601042294 Pyongyang KCNA in English 0409
GMT 6 Jan 94

[Text] Pyongyang, January 6 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings on the occasion of the New Year 1994 from France Albert Rene, president of the Republic of Seychelles; Blaise Compaore, president, head of state, chairman of the Council of Ministers and supreme commander of the Armed Forces of Burkina Faso; Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland); Renan Raffo Munoz, general secretary, and Guillermo Herrera Montecinos,

international secretary, of the Central Committee of the Peruvian Communist Party.

A message of greetings also came from the Central Committee of the October 8 Revolutionary Movement of Brazil.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him good health and long life.

Symposium Held on Kim Il-song Linguistic Theory

SK0601043094 Pyongyang KCNA in English 0422
GMT 6 Jan 94

[Text] Pyongyang, January 6 (KCNA)—A scientific symposium was held here Wednesday upon the lapse of 30 years since the great leader President Kim Il-song published the immortal classical work "Problems Related to the Development of the Korean Language."

Speeches were made at the symposium on the subjects "the immortal classical work of the respected leader Comrade Kim Il-song 'Problems Related to the Development of the Korean Language' is a highly important work that brought a new turn in the development of the working-class linguistic theory," "Theory on relations between language and nation propounded by the great leader Comrade Kim Il-song," "Successful education in-mother tongue is vital to the development of the national language and improvement of lingual life," "Role of our party's mass media in the development of the national language and the improvement of the lingual life," etc.

The speakers said the work of President Kim Il-song was a precious programme which comprehensively systematized the chuche-based linguistic theory and gave perfect answers to all the theoretical and practical questions arising in solving the problems related to the national language.

They noted that President Kim Il-song, basing himself on a scientific analysis of the important position of the questions of a nation and its language in the socio-political life, gave a new classical formulation that language is one of the features which characterize a nation.

They said the work brought a new turn in the development of the linguistic theory of the working class as it, on the basis of a scientific exposition of the law-governing course of the development of the socialist national language and its factor, the social and historical conditions of the development of the national language and those in charge of its development, gave flawless answers as to the fundamental principles and concrete ways of developing the language and other theoretical and practical questions arising in solving the problems related to the national language at present.

They stressed that the chuche-orientated linguistic theory propounded by the great leader President Kim

Il-song had been developed in depth and completed as the linguistic programme of our age, the era of independence, by the dear leader Comrade Kim Chong-il.

South Korea

DPRK Said To Agree to Nuclear Inspections

SK0601010294 Seoul YONHAP in English 0053 GMT
6 Jan 94

[Text] Washington, Jan. 5 (YONHAP)—North Korea has agreed to inspections of its seven declared nuclear facilities and to resume dialogue with South Korea, setting the stage for high-level Pyongyang-Washington talks soon, a State Department official said Wednesday.

Undersecretary of State Lynn Davis told a regular briefing that North Korea had agreed to allow the inspections necessary for the continuity of safeguards on its seven installations declared with the International Atomic Energy Agency (IAEA). Davis said she expects Pyongyang to talk with the IAEA to set specifics on the procedures.

North Korea and the United States "are very close to satisfying" the conditions for the third round of high-level talks, and the talks could open based on these two steps, Davis said.

North Korean Embassy officials did meet with the IAEA at its Vienna headquarters, but Agency Spokesman David Kyd said there were no proposals on Pyongyang's part on the inspections.

The embassy officials basically heard the IAEA's position and replied they will come back with the response after consulting with their government, Kyd said in a telephone interview.

The next North Korea-U.S. high-level talks will seek ways to completely solve all issues related to the nuclear situation including special inspection on two undeclared sites in North Korea.

DPRK, IAEA Hold Working-Level Contact 5 Jan

SK0601020594 Seoul YONHAP in English 0154 GMT
6 Jan 94

[Text] Berlin, Jan. 5 (YONHAP)—North Korea had a working-level contact with the International Atomic Energy Agency (IAEA) on Wednesday [5 January], but there was no significant progress toward its acceptance of inspections, a diplomatic source in Vienna said by telephone Wednesday. A diplomat from the North Korean Embassy in Vienna met with an IAEA official in charge of the North Korean nuclear problem, but did not present his country's position on the problem, he said. The source said that he could not say there had been significant progress.

The North Korean diplomat just listened to the IAEA's position and opinion on the place and date for consultation on when and how the IAEA will inspect the nuclear sites, and did not say anything about Pyongyang's position, according to the source.

The diplomat said that he would notify the IAEA of Pyongyang's position after he received instructions, but given that North Korea agreed to allow nuclear inspections earlier in the day, detailed consultations between North Korea and the IAEA will take place this week, the source said. He said he expected progress toward inspection, including an agreement on a venue for negotiations, to be made soon.

IAEA Spokesman Hans Meyer said that North Korea had not made any proposal or given any notification about official contacts or official consultations.

The IAEA's position was officially unchanged from the end of 1993 except that positive progress was being realized in the North Korean-U.S. contacts, Meyer said.

Inspection Schedule To Be Set

SK0601035894 Seoul KBS-1 Radio Network in Korean
0315 GMT 6 Jan 94

[Text] Chang Chae-yong, director of the American Affairs Bureau of the Foreign Ministry, said that the third U.S.-North Korean high-level talks will be held after the International Atomic Energy Agency [IAEA] ordinary [tongsang] inspection or the exchange of special envoys between the North and South are achieved.

Director Chang said on 6 January that during a telephone contact with the United States on 5 January, North Korea announced that it will hold contacts with the IAEA to discuss the beginning of the ordinary inspection. He said this is a process for the start of the third round of talks between the United States and North Korea in which the nuclear issue will be earnestly discussed.

A relevant government official also said that the move for the working-level contacts between the North and South will be active after North Korea and the IAEA discuss the nuclear inspections, and that the exchange of special envoys between the North and South is likely to be realized before the third round of U.S.-North Korean talks.

He said that as soon as the discussion between North Korea and the IAEA over the nuclear inspection is ended, the United States and North Korea will hold a working-level contact in New York and discuss the agenda for partial compromise [pubun takyelan], including the holding of the third round of U.S.-North Korean talks. He also said that the third round of U.S.-North Korean talks will be held in Geneva within the next month only if the present ongoing process of consultations are being carried out as scheduled.

North Korea-U.S. Contact Expected 'Next Week'

SK0601064294 Seoul YONHAP in English 0636 GMT
6 Jan 94

[Text] Seoul, Jan. 6 (YONHAP)—North Korea and the United States will have contacts to settle the details of their third round of high-level talks after Pyongyang finishes its consultations with the International Atomic Energy Agency (IAEA), a government official here said Thursday [6 January]. The official said that he expected the contact to be held as early as next week.

When an IAEA inspection team enters North Korea, Pyongyang and Washington will probably announce a date for the third round of high-level talks, South and North Korea will have a working-level contact on exchanging special envoys, and Seoul will declare the suspension of its "Team Spirit" joint military exercise with the United States.

"North Korea and the IAEA are expected to begin consultations soon on the method and schedule for the IAEA inspection of North Korea's seven declared nuclear installations. After the consultation is over, North Korea and the United States will finally fix their agenda and schedule for the third round of talks," the official said.

"If Pyongyang and Washington agree on details in additional contacts in New York and smoothly push ahead with preparations, then the third round of talks will be held. They will have full-fledged discussion on resolution of the North Korean nuclear problem."

Consultation between North Korea and the IAEA is not directly leading to solution of the North Korean nuclear problem, but it is preparation for a third round of talks to solve the problem, he added.

North Korea's willingness to consult with the IAEA is progress, he said.

U.S. Deports Embezzlement Suspect Home to ROK

SK0601023194 Seoul YONHAP in English 0217 GMT
6 Jan 94

[Text] Seoul, Jan. 6 (YONHAP)—Yi Su-chong, 40, who is wanted on suspicion of embezzling money in South Korea and using it to open a boutique in New York, has been deported from the United States. Korean police said that Yi will be arrested on charges of fraud and violation of the bad check control law upon his arrival at Kimpo International Airport at 4:35 PM Thursday [6 January] aboard Korean Air flight 025.

In June 1991, Yi fled to the United States after he came under suspicion of swindling 870 million won (1.08 million U.S. dollars) out of several people by dishonoring checks. He was arrested by the U.S. Immigration

Service in June last year after the Korean Government nullified his passport and was sentenced to deportation by a U.S. court.

Last year, police persuaded 12 fugitives overseas to return to the country.

Newspapers Comment on Kim Il-song's Address

SK0601072094

[Editorial Report] The following is a compilation of editorials and articles from ROK vernacular newspapers published on 3 and 4 January on DPRK President Kim Il-song's New Year's address delivered on 31 December 1993 at the Kumsusan Assembly Hall in Pyongyang.

The moderate Seoul CHUNGANG ILBO in Korean on 3 January publishes on page 3 a 700-word editorial on Kim Il-song's New Year's address titled "The North's New Year's Address, Which Fails To Mention North-South Dialogue." Elaborating on the characteristics of Kim's address, the editorial notes that the address was nothing different from the previous addresses and that no mention was made in it regarding the North-South dialogue. The editorial concludes that while stressing the need for holding dialogue with the United States, Kim Il-song is not interested in holding the North-South dialogue.

The editorial reports that Kim Il-song's remarks denouncing the civilian-led Government of South Korea indicates Kim is not interested in holding a dialogue with our government. Expressing disappointment over the address, the editorial concludes: "Judging by North Korea's attitude and President Kim's New Year address it is most likely that North Korea will utilize North-South dialogue as a means for dialogue with the United States. Therefore, we should renounce our optimistic view that we can improve North-South relations under circumstances favorable for us and should seriously grasp North Korea's intent. Thus, we should take countermeasures against it."

The conservative Seoul CHOSON ILBO in Korean on 4 January publishes on page 2 a 700-word article by An Hui-chang commenting on Kim Il-song's address. The article notes that Kim's address revealed North Korea's intent "to recover from its backward economic situation and to improve relations with the United States and other Western countries." Noting the strongly worded denunciation of the South Korean government in the address, the article reports that the address "has cast pessimistic prospects on improving 'bona fide' North-South relations."

Elaborating on North Korea's new economic policies indicated in the address, including the development of external trade and the increase in production of export goods, the article reports this reveals North Korea's intent to make a partial opening within the framework of maintaining its self-reliant economy in a bid to overcome its present economic difficulties.

Noting Kim's remarks on building up its defense capability, the North Korean nuclear issue, and the improvement of relations with the United States and Japan the article predicts that this year, too, North Korea will continue to use its nuclear card for various purposes, such as in maintaining its political system and enhancing its position in the international arena.

The article concludes: Kim's address "has revealed an intent to follow the basic line North Korea has taken so far and, accordingly, North-South relations, as well, are expected to repeat a 'tedious war of nerves'."

The moderate Seoul HANGUK ILBO in Korean on 4 January publishes on page 3 a 800-word editorial on Kim Il-song's New Year address titled "Substantial North-South Dialogue Is a Key Factor." The editorial notes Kim's address offered nothing new and nothing different from his previous new year addresses and that it was a "long-winded talk" to stress communist ideology and motivate the North Korean people to work harder.

The editorial summarizes the address into five points: 1. The Third Seven-Year Plan, which ended in failure; 2. The North Korean Workers' Party plenary meeting's designation of the next three years as a readjustment period in which North Korea will reportedly place emphasis on agriculture, light industry, and external trade; 3. The strongly worded denunciation of the civilian-led South Korean Government; 4. The provocative remarks on the nuclear issue on the Korean peninsula, which are aimed implicitly at the United States; and 5. The reunification policy. The editorial stresses Kim's address is basically similar in content to previous years' addresses, though expressions and phrases used are different to some extent. Noting ongoing U.S.-North Korean contacts and anticipated improvement in relations between the United States and North Korea and between Japan and North Korea, the editorial stresses that "the utmost task facing us this year is how to realize 'de facto dialogue' between North and South Korea for human and material exchanges and cooperation, which depends on Kim Yong-sam government's policy toward North Korea."

Seoul HUNGUK ILBO in Korean on 4 January publishes on page 4 an 800-word article by Yu Sung-u commenting on Kim Il-song's New Year address. The editorial cites key points of the address and elaborates on their background and implication. The article then notes that the address "is characterized by the revelation of North Korea's strong intent to concentrate greater efforts on recovering from its difficult economic situation and, at the same time, to improve relations with the United States and other Western countries."

The pro-government Seoul SEOUL SINMUN in Korean on 4 January carries on page 3 an 800-word editorial entitled "We Are Disappointed in Kim Il-song's New Year Address." The editorial begins: "We expected North Korea to try to explore a new breakthrough this year to overcome the difficult problems it is facing, such

as international isolation and economic failure." The editorial then notes, "Kim Il-song's New Year address, however, proved that Kim Il-song's objective of maintaining the anachronistic system called 'our-style socialism' remains unchanged." The editorial continues: "Stressing that the nuclear issue on the Korean peninsula should be resolved through U.S.-North Korean talks, Kim Il-song did not show any interest in inter-Korean dialogue. This reveals that North Korea is trying to press forward for the establishment of diplomatic relations with the United States, using the nuclear issue as a negotiating card, but that it is not interested in improving inter-Korean relations." The editorial concludes: "Inter-Korean relations, as well as the nuclear issue, should be resolved through dialogue between the parties concerned of the North and the South. North Korea should not disappoint us and the world anymore."

The pro-government Seoul SEOUL SINMUN in Korean on 4 January carries on page 6 a 600-word article by Ku Pon-yong entitled: "The Meaning of Kim Il-song's New Year Address Regards Improving Relations With the United States as a Matter of Vital Interest for the Survival of the North's System." The article notes that judging from Kim Il-song's New Year address, the North Korean foreign and domestic policy will concentrate on resolving its economic problems, and reports: "Kim Il-song declares in his New Year address that North Korea will develop 'good-neighborly relations' with capitalist countries as well, thus hinting that North Korea will pursue practical economic interest through improvement of relations with the United States and Japan. Kim Il-song insisted that the nuclear issue be resolved through negotiations with the United States. This eloquently manifests that North Korea regards the improvement of relations with the United States as a necessity of vital interest for the survival of its system." The article then notes: "It is noteworthy that Kim Il-song mentioned nothing about the inter-Korean dialogue in his New Year's address. This reveals the North Korean scheme to carry on dialogue only with the United States, bypassing us. Nevertheless, the government authorities are of the opinion that the context of Kim's New Year's address does not necessarily mean that the inter-Korean relations will continue to remain in a stalemate in the New Year as well." The article then cites the remark by Song Yong-tae, vice unification minister, "The North Korean attitude toward inter-Korean dialogue will change depending upon the progress of the U.S.-North Korean unofficial contacts in New York."

The left-leaning Seoul HANGYORE SINMUN in Korean on 4 January carries on page 3 an 800-word editorial entitled "President Kim's New Year Address and Inter-Korean Relations." The editorial notes Kim Il-song's New Year address gave the impression that the North Korean nuclear issue, which showed signs of a breakthrough, might turn, though temporarily, into a complication. The editorial notes the reason for this is that the New Year address did not mention the inter-Korean dialogue, but severely criticized the South

Korean Government. The editorial then reports: "We are curious to know how the government, particularly President Kim Yong-sam, will react to this. During a meeting conveying New Year greetings on 3 January, President Kim stated: 'Since the North Korean nuclear issue is directly connected with our nation's existence, we should resolve it early this year without fail.' We feel both expectations and worries about the fact that President Kim Yong-sam set 'early this year' as a deadline for the resolution of the nuclear issue." The editorial then adds: "We hope President Kim Yong-sam's deadline of 'early this year' for the resolution of the nuclear issue will not be a signal of a hard-line offensive toward North Korea."

The left-leaning Seoul HANGYORE SINMUN in Korean on 4 January carries on page 3 a 700-word article by Kang Tae-ho entitled "What President Kim's New Year Address Signifies: Negative on Inter-Korean Dialogue, Stresses Resolution of Nuclear Issue Through North Korean-U.S. Talks, Details Trade Issue, Stresses Acceleration of Economic Construction."

The article notes: "President Kim Il-song's New Year address, in short, regards the Kim Yong-sam government as nothing different from the preceding military regimes. This is in contrast with his expectations of the Kim Yong-sam government expressed in his 1993 New Year address. This negative view of North Korea toward inter-Korean dialogue was culminated during the ROK-U.S. summit talks held last November. North Korea thinks the South is laying an 'artificial obstacle' to the North Korean-U.S. talks, which are heading toward the resolution of the nuclear issue." The article then notes that the New Year address placed greatest emphasis on the economy, economic construction, agriculture, light industry, and particularly trade. The article concludes by citing the view of North Korean experts, who find it unusual for the New Year's address to place so much emphasis on trade and exports in so much detail.

The moderate Seoul KYONGHYANG SINMUN in Korean on 4 January carries on page 3 a 900-word editorial entitled "Let Us Clear Up Uncertainty." After elaborating on the dim North-South relations caused by North Korea's closed-door policy against the trends of the world, the editorial notes: "North Korea, which claimed that the issues concerning the North and the South should be resolved by the parties concerned, assumes the attitude to hold negotiations with the United States over the issues concerning the Korean peninsula. This clearly shows North Korea's double-dealing attitude." Referring to North Korea's nuclear issue, the editorial notes: "We should not have hasty expectations and excessive pessimism about the issues concerning the North and the South. To settle the nuclear negotiations, measures should be taken to resume the essential North-South dialogue." Referring to the North Korean-U.S. negotiations, the editorial reports: "The United States and North Korea have focused their negotiations on the international inspection team's entry into the North, thus ignoring the issue

of developing a method to effectively inspect North Korea's nuclear facilities." The editorial then stresses that "under such circumstances, if the United States unilaterally announces the discontinuation of the Team Spirit exercise and the scheduling of the third round of the North Korean-U.S. high-level talks, this will result in ignoring the essence of removing suspicions about North Korea's nuclear development. Our repeated demand is that it be a prerequisite to ensure North Korea's nuclear transparency."

The editorial notes: "Even though the United States and North Korea have agreed upon a principle, it is not desirable to assume an excessive optimistic attitude toward overall North-South relations. Kim Il-song strongly denounced the civilian government in his New Year address. This clearly shows that North Korea has still not changed. Worse still, Kim Il-song repeatedly revealed the attitude that the nuclear issue should be resolved through negotiations with the United States and that reunification should be achieved by means of a confederation. This is the attitude that shows North Korea has obtained almost everything through negotiations with the United States." The editorial concludes: "If North Korea adheres to a line of isolation, it is impossible for North Korea to exist. The world will not sit back and watch North Korea go against peace and the trends of the times. North Korea should become a member of the international community and participate in the North-South dialogue and exchange by ensuring its nuclear transparency."

The moderate Seoul TONG-A ILBO in Korean on 4 January carries on page 3 a 900-word editorial entitled "The Difference in Views Between the Two Heads of the North and the South" and notes the desire of the people to solve North Korea's nuclear issue and to improve North-South relations. After comparing the new year addresses of President Kim Yong-sam and President Kim Il-song, the editorial quotes President Kim Yong-sam as stressing that: "Resolving North Korea's nuclear issue early this year is an absolute and vital task" and President Kim Il-song as saying: "The nuclear issue on the Korean peninsula must be resolved through DPRK-U.S. talks" and "The South Korean civilian regime is only so in appearance and is actually not different from the preceding military dictatorial regime." After noting North Korea's silence about the North-South dialogue, the editorial notes: "North Korea should decide on its position toward the North-South dialogue." The editorial then raises questions about the government's position toward the solution of North Korea's nuclear issue and the issue of exchange of special envoys. The editorial concludes by reporting that North Korea is full of distrust of South Korea.

The moderate Seoul TONG-A ILBO in Korean on 4 January carries on page 4 a 1,400-word article by Pak Che-kyun entitled "The Meaning Contained in Kim Il-song's New Year Address." The article notes that "in his New Year address, President Kim Il-song strongly emphasized improving relations with the United States

and on strengthening friendship and cooperation with Western countries, including Japan." After noting that President Kim Il-song stressed that North Korea's nuclear issue should be resolved through talks with the United States, the article notes: "This is the first time President Kim himself stressed the nuclear negotiations with the United States. This proves that North Korea puts great efforts into improving relations with the United States." Referring to economic development, the article notes that Kim Il-song admitted great difficulties and obstacles in economic construction and mentioned agriculture-first, light industry-first, and trade-first policies. After elaborating on Kim Il-song emphasizing strengthening military power, the article notes: "Experts view Kim Il-song's emphasis on military power as consolidating its inner system, which may easily slacken as a result of opening up and economic development." After noting that Kim Il-song strongly denounced South Korea and placed the responsibility for failure of exchange of special envoys on the South side, the article comments: "It is expected that North Korea will attach importance to nongovernmental dialogue led by experts of South Korean affairs, including Vice President Kim Yong-chu, rather than dialogue between the authorities."

Assembly Speaker Leaves for Visit to Beijing

*SK0601012594 Seoul YONHAP in English 0102 GMT
6 Jan 94*

[Text] Seoul, Jan. 3 (YONHAP)—National Assembly Speaker Yi Man-sop left Seoul Thursday for a seven-day visit to Beijing at the invitation of his Chinese counterpart, Qiao Shi, chairman of the standing committee of the national people's congress. Yi will meet Qiao later in the day and discuss ways to boost Sino-Korean legislative exchanges and bilateral cooperation.

He is scheduled to meet with President Jiang Zemin and Prime Minister Li Peng to exchange ideas on resolving the North Korean nuclear issue and boosting bilateral economic partnership.

Yi, the first South Korean speaker to visit the communist state, will tour sites in Shanghai where Korean independence fighters were based on his way home.

Accompanying the speaker are Reps. Pak Hun-ki and Yi Hwan-ui of the Democratic Liberal Party, Reps. Kim Tae-sik and Choe Chae-sung of the Democratic Party, independent Rep. Pak Ku-il, and his chief secretary, Kang Song-chae.

President Kim Yong-sam Holds News Conference

President's Opening Remarks

*SK0601011494 Seoul KBS-1 Television Network in
Korean 0000 GMT 6 Jan 94*

[Opening remarks to a "New Year News Conference" by President Kim Yong-sam for foreign and domestic reporters at the Chongwadae presidential offices, Seoul—live]

[Text] I am glad to meet you, especially you foreign and domestic reporters.

Dear fellow countrymen: I hope that during the New Year of 1994 all your wishes are fulfilled and you enjoy happiness. Last year, we inaugurated the new government and initiated changes and reforms to create a new Korea. With the inauguration of the civilian government and reform, our country's international position has been amazingly enhanced. The world is watching us. Indeed, our society has been changed remarkably over the past year. I sincerely thank you, the people, for joining in the changes and reform.

This is the second year of change and reform. It is the year to pledge a new upsurge and consolidate last year's achievements.

The Uruguay Round [UR] negotiations, which have dragged on for seven years, were settled late last year. Thus, the world has entered an era of unlimited competition. The world and international competition are no longer empty words, but rather a reality. We must exchange our narrow vision for a wide vision of the entire world. Only the nations that win the competition will become the masters of global history. The nations left behind in the competition will barely survive.

It is our task this year to determine how to cope with the fierce flow of world history. I want the new year's goal of the state administration to be to strengthen the nation's competitiveness. While setting this goal, I would like to discuss the direction of overall state affairs.

First, I will continuously push for change and reform in a bid to enhance the country's competitiveness. Through reform, we should advance in the world and through change, we must prepare for the future.

The world has entered an era of competition through reform. We must adjust laws and regulations so that there will be innovations in efficiency and productivity in all domains of state affairs. We must continue to eliminate authoritarianism, corruption, and irregularities that block internationalization and slow our advance to the future.

In order to adapt to the changed international order, we must first change all the government's functions and roles. The government itself should take the initiative in eliminating and rectifying inefficient practices. The government should strongly push ahead with ongoing reforms and change so that the people can actually feel them in their routine lives. The government should become a government that always contributes to alleviating the people's inconvenience and that serves for the welfare of alienated people.

Change should also be effected in politics. In today's turning point of the state and society, those involved in politics should display the leadership of pooling the strength and wisdom of the people. Now is the time to do so. With the form of politics we had in the past we could

not succeed in the era of unlimited competition. Without changing our policies we cannot enhance the international competitiveness of our country.

The people ardently want to see the politicians adapt to the changing world and sincerely discuss matters to cope with it. Today we urgently need such policies with which to lead communities and provide guidance in carrying out change and reform. Policies in the interest of the people and for their welfare are urgently required.

We need policies that alleviate the sufferings of the people in all fields, including education, traffic, environment, and public security. The creation of such a political climate in which confrontation and competition are vigorously carried out is desirable. Policies that foster collective egoism should be eliminated. Political reform by the politicians themselves should precede all other reforms. We should firmly establish clean politics. I expect the bills on political reform to pass soon.

I will strengthen our economy's international competitiveness through the steady promotion of the Five Year-Plan of the new economy. The expansion of social overhead capital and facilities, the balanced development of national land, the alleviation of regulations imposed on economic activities, and the development of science and technology are our priority task to strengthen international competitiveness. Our economy faces difficulties today.

The government will further accelerate the expansion of social overhead facilities to strengthen our potential for economic growth. For this, I will provide mechanisms so that civilian capital is actively induced into social overhead facilities. At the same time, I will epochally rectify imbalances in regional development. This is my long-cherished will and resolution. I will provide a breakthrough and foundation for rectifying imbalances between regions during my term of office without fail.

I have already directed the new economic team to provide comprehensive measures and implementation plans so this work will be initiated on a full scale beginning this year. The new economic team will make public to the people the framework of these projects in the near future. Only when free and fair competition is carried out, can sound enterprises be fostered.

Since unnecessary restrictions may work as a cause for corruption, I will abolish, as part of my reform drive, regulations that restrict business activities. The government has already formed a team, which has already begun activities, for examining ways to relax restrictive regulations. We will drastically restructure more than half of the government-supported enterprises, which have been operated loosely or for which the nation's management is considered no longer necessary, so that they are integrated, dissolved, or privatized.

We cannot enhance international competitiveness of our economy without technological development. In the new

year, we will push ahead with bolder policies for the promotion of science and technology.

We must develop ultramodern industrial technology, including introducing precision new materials and developing the life sciences. At the same time, we must effect innovations in each existing technology in our industrial fields. We will increase the investment in and intensify support of technological development to foster the intelligence industry.

With a view to creating a climate for vigorous business activities, we will make efforts to stabilize wages and to lower monetary interest and land prices. For this, we will readjust laws and regulations pertaining to land and will further expand the opening of the door for inducement of foreign capital, including commercial loans for social overhead capital and facilities.

At the same time, we must thoroughly comprehend and cope with the changes of the time. For example, the environment issue is not only our nation's problem. We must prepare ourselves now to effectively cope with the forthcoming environmental discussions.

I will direct all efforts to work out measures to deal with the problems of farmers and fishermen, who are in a difficult situation due to the opening of agricultural markets, and on agriculture and fisheries. Our agriculture, fisheries, farms, and fishing villages are facing a great turning point as the result of the settlement of the UR negotiations last year.

The shock and frustration of farmers and fishermen was painful to all of us, but also to me. However, we should surmount today's difficulties. We can surmount them. We should make a new start with new methods for this. As was promised, the government will complete the 42 trillion won-scale farm and fishing village development project three years ahead of schedule. I will see to it that this project is carried out according to the local situation.

A special tax will be established by this year to strengthen the competitiveness of agricultural and fishing products. Through this special tax the government will set aside 1.5 trillion won every year to invest in farm and fishing villages for the next 10 years.

I have established a secretarial position in the presidential offices for agriculture and fisheries in an effort to effectively promote agricultural policies. Soon, I will also form a farm and fishing village development committee which will be a presidential advisory organ. I will establish within the first half of this year practical and fundamental measures to secure the international competitiveness of our agricultural products and to effect innovations in the development of the rural environment. I will directly preside over the meeting of the farm and fishing village development committee which agriculture-related ministries will attend. Thus, I will

directly oversee the smooth promotion of various agricultural policies. I will see to it that all of our people pool their wisdom and strength so as to protect and revive farm and fishing villages.

Fourth, I will actively promote educational reform to enhance our international competitiveness. Our country's international competitiveness is determined, in the end, by people. Along with education of people, our education should foster talented individuals who will be able to cope with globalization and opening up. Educational reform will be the core of the reforms and changes we seek.

The government will strengthen professional and technological education to deepen education in science and to supply able human resources to the industrial and administrative sectors. The education reform committee which will soon be formed under direct presidential authority, will provide a comprehensive education reform plan, and I will see to it that the education reform plan is implemented consistently.

We should make our 5,000-year-long culture the foundation of our national strength. The spirit of being devoted to people's welfare is the foundation of our national culture. Believing the characteristics of our national culture to be the characteristics of world culture, we should foster and cultivate our culture.

This year marks the 600th anniversary of the selection of Seoul as the capital. This year also is Visit Korea Year, and the year of Korean traditional music. I expect that vigorous efforts will be made this year to make our art internationally renowned.

Fifth, I will carry out bold policies to internationalize and globalize all of our society. We will pursue active opening, not passive globalization. This is because we ourselves must cultivate our own national destiny, which must not be determined by other people.

The degree of the globalization of a country, as well as its economic and military strengths and the level of its culture, are important factors in determining its national strength. Globalization means deregulation, opening up, and rationalization [jayulhwa, kaebanghwa, hamnihwa]. To promote cooperation and compete with the world fairly, we must globalize the people's consciousness and their capabilities as well as our systems. Globalization must be pursued both in the central government and in the regional governments. I expect practical reforms for globalization will be made in all fields of our society.

Practical diplomacy [silli oegyo] is called for more urgently than ever in an era of globalization. Heads of state of various countries are busy promoting their own national interests. I will rush to any place in the world if it is beneficial to the country and people. And, the government will prudently fulfill its duties to promote peace in the world and prosperity in the Asia-Pacific region.

We will strengthen diplomacy in economic affairs and trade to positively adjust ourselves to [chokkuk taegung] the international trade environment, which has changed since the conclusion of the Uruguay Round negotiations.

Sixth, this year, I will do my best to build a foundation for resolving the North Korean nuclear issue and improving South-North relations.

The North Korean nuclear issue is an issue over which the existence of 70 million fellow countrymen is at stake. It also constitutes a threat to peace in the world.

North Korea must, though belatedly, come forward with the correct attitude of trying to resolve the Korean peninsula problems through South-North Korean dialogue. I hope North Korea will realize that it is a correct way to get assistance for what it needs within the nation through South-North dialogue, instead of trying to get it from outside. If the North Korean nuclear issue is resolved, substantial relations between the South and North can be promoted at a very rapid speed.

Fortunately, North Korea shows signs of change, and I expect we will be able to find clues to resolving the issue in a few days [kummyonggan].

Of course we should refrain from being too hastily optimistic. However, North Korea's closed and isolation policy, rather than helping it maintain its system, will only burden it. I clearly believe that North Korea will gradually become aware of this fact. This is because as the era of unlimited competition emerges, North Korea will have to take part in globalization to survive. The sooner North Korea takes part in the trend of reform and openness, the more it will hasten our whole nation's globalization.

As president, I will carry out my work so that not an inch of error in national security emerges. I will continuously promote reform and modernization of our military to assume a posture of security so as to prevent any kind of provocation.

While there can be no sanctuary in eradicating injustice and corruption, the people's love and faith in the military must not be shaken. I hope all the people will encourage the military's rebirth. I would like to thank our officers and men who are taking pains to defend the armistice line in this cold winter.

Dear fellow countrymen: I would like to ask exceptional cooperation from you, the people, as I reveal my plan for administering state affairs this year.

First of all, I would like to address businessmen. The most important force of competition in an era of globalization and internationalization is the business sector. The government will provide all the assistance necessary to make our country the most appropriate country for business. When this is carried out, businessmen must exert efforts for invest resolutely and develop technology and markets.

Economic war is competition in quality. I hope that businessmen make products under the goal of making the world's highest quality products.

Lacking harmony between the labor and management, there can be no competitiveness. As today's economic growth was achieved though the sweat of workers, tomorrow's international competitiveness will be impossible without the determination and participation of workers. Labor and management must harmonize so that the economy can be saved, and the economy must be alive for there to be a share for you and me. I would like to propose that labor and management make this year a year of no labor-management disputes.

The government will also prepare to carry out, without fail, an employment insurance system in 1995. Once again, I sincerely appeal to you, farmers and fishermen, not to be discouraged. We must concentrate all our wisdom on overcoming the high wave of global competitiveness and openness from now on and make efforts for its realization. We must make efforts to adapt ourselves to the new circumstances. Also, organizations of farmers and fishermen must start anew.

I address the 900,000 civil servants. Last year, many civil servants disclosed details of their assets to the public for the first time in history. This served as an important occasion for regaining the people's trust in your reputation. You are the master of change and reform, as well as the driving forces of international competitiveness. The fate of the state depends upon your awareness and efforts. I hope you discard an easy-going attitude and stand at the forefront of change and reform.

Also, I extend my appreciation and sympathy to you and your family members who shared the pain of last year's pay freeze. I will surely keep my word to raise the wages of the civil servants to the level of employees at government-operated corporates before 1997 by formulating a four-year plan for the improvement of the civil servant wage system.

I address my fellow countrymen. As we are only several years away from the 21st century, the coming years are the most important period for our nation. What we need now is faith to carry out changes and reform, and conviction for their certain success. The people's moral awareness and sense of mission in these times are the basic factors in overcoming internationalization and openness.

We must advance while carrying out reform. Also, we must carry out reform while advancing. It is our goal to achieve national reunification and to lead the creation of a new civilization in the Asia-Pacific era by entering the ranks of developed countries. We will surely reach it. Let's cherish the firm faith of opening a great era for the Korean nation. Let's all advance together toward that glorious day.

Finally, the United Nations has named this year the year of the family. Therefore, we should realize the importance of family and fill all our families with love and happiness by further developing our good family system. Thank you.

Question-Answer Session

SK0601053294 Seoul KBS-1 Television Network in Korean 0028 GMT 6 Jan 94

["News Conference" held by President Kim Yong-sam with foreign and domestic reporters at the Chongwadae presidential offices in Seoul—live]

[Text] [President Kim] Now I am pleased to receive questions from you reporters.

[Choe Kyu-sik, HANGUK ILBO reporter] I have learned that during recent negotiations with the United States, North Korea said that it would only accept one inspection of its seven nuclear facilities by the International Atomic Energy Agency [IAEA]. Can you clearly explain what actual progress has been made in resolving the North Korean nuclear issue and whether we conceded to the North on our side's earlier demands for North-South mutual nuclear inspections?

[President Kim] Concerning the North Korean nuclear issue at this point, I would like to clearly state that the issue of the ROK's security and North Korea's nuclear issue were discussed intensively last July with U.S. President Clinton. In particular, they were discussed in depth during last November's summit, and the two nations have reached complete agreement on these issues.

Since that time, 24-hour-long contacts, including telephone calls with President Clinton to discuss problems, have been constantly maintained throughout ongoing negotiations between North Korea and the United States. Even before the United States began dialogue with North Korea, it exchanged views with the ROK, and it has kept us informed of results since the dialogue began. I especially want to clarify at this point the fact that the United States is completely respecting ROK will.

You mentioned a one-time nuclear inspection. The issue of nuclear inspections is not an issue between the United States and North Korea but a matter of discussion between the IAEA and North Korea. Because of the delicacy of this issue, I will refrain from providing further details such as what issues were discussed between the two sides. The only thing I can tell you is that discussions will be held in Vienna between a North Korean ambassador and the IAEA. Negotiations have yet to begin, however, as the North Korean side claims that it has yet to receive precise directives.

In conclusion, the ROK and the United States are in agreement that ultimately, mutual inspections between

the North and the South should be conducted. I believe that these inspections will be realized without fail.

You reporters talk as though North-South dialogue has been ignored. This is not true. I want you, reporters, to know that the United States and the ROK agree that inspections by the International Atomic Energy Agency, IAEA, and the North-South dialogue must take place simultaneously, without fail.

[Kim Hong, KBS reporter] In recent contacts between the United States and North Korea, the North Korean side put forward a package deal proposal. People are under the impression that the United States was dragged into the North Korean side's plan to settle the nuclear problem, establishment of diplomatic relations between the United States and North Korea, and the issue of the Team Spirit exercise in a package deal.

Could you explain the government's position on the issue of the establishment of diplomatic relations between North Korea and the United States and between North Korea and Japan?

[President Kim] The package deal solution phrase was not used by the United States, but by the North Korean side.

As for the issue of Team Spirit, it is very sensitive, so I will refrain from talking on this issue at this time. While I will not elaborate on this issue as negotiations are ongoing, I would like to clearly state that by all means, this is an issue that the ROK will decide.

North Korea's establishment of diplomatic relations with the United States and Japan was agreed upon between the ROK and the United States in discussions with President Clinton last November. Since there is plenty of time, and establishment of diplomatic relations is not an issue that should be hastily discussed, I think we had better not discuss this issue in detail here.

[Cho Chong-min, MBC reporter] Let me continue the question. My question is about North-South relations. I remember it was on 27 December last year. During lunch with reporters that day, you said that North-South relations would improve considerably this year [1994]. However, North Korea's President Kim Il-song did not mention North-South relations in his New Year's address. Moreover, North Korea's denunciation of our government and president has increased recently. What are your prospects for North-South relations, including North-South summit talks? Do you see any likelihood for actual progress in North-South relations this year?

[President Kim] You should know that North Korea is not always consistent in what it says. North Korea said previously that it would never contact the United States and called for the withdrawal of U.S. forces from South Korea. Nevertheless, North Korea is now holding dialogue with the United States. North Korea tends never to announce anything that may be detrimental to it. For instance, as you know, when announcing the results of

U.S.-North Korean negotiations, North Korea deleted many portions and did not mention North-South relations. If you knew these facts, you would know not to accept everything North Korea says at face value.

Regarding North-South summit talks, however, I think it is necessary for us to abort our past way of thinking. In other words, I want to stress that we should not hold summit talks with North Korea only for the sake of holding summit talks. I have held summit talks on numerous occasions with foreign heads of state. Last year alone, I held summit talks with leaders of foreign countries on 20 occasions. So there is no reason for me not to be able to hold summit talks with North Korea's President Kim Il-song. In order to hold summit talks, however, some problems should be solved. Let me repeat again that I will not hold summit talks only to hold summit talks. In the past, people thought that summit talks would solve everything. You are aware of the problems that we have pointed out. I will not make concessions on these issues for summit talks with North Korea.

[Yun Chang-chun, SEGYE ILBO reporter] When you reshuffled the cabinet and major positions in the ruling party last year, some people criticized your choice of so many of your close confidants. Former Minister of Political Affairs Kim Tok-yong, one of your close confidants, has stepped down and has no official post now. What is your opinion on the assessment of former Minister for Political Affairs Kim Tok-yong by political circles? Also, what do you say to criticism that you have chosen many close confidants?

[President Kim] That's a tough question. [laughs] The criteria I used in the reshuffle of personnel were the person's will to achieve reforms, clean and honest character, and ability. No matter how able one may be, one should be clean and honest and diligent. Ability is not everything. When one has the firm will to serve the country and the nation, one can demonstrate one's ability. Of course, some of the appointees to cabinet and party posts shared arduous and protracted political lives with me as part of the opposition. However, I am well aware of their character and ability. I have chosen them because I believe that they are exceedingly able to work hard, have the firm will for reforms, and have a clean and honest character. Regarding your question about Assemblyman Kim Tok-yong, I have been in contact with and known him for over 25 years. We were together in extremely arduous times. There is no change in my affection for him.

Lawmaker Kim Tok-yong held the position of minister of state for political affairs. However, I believe that it will be good for him to rest for a while. Also, I believe that from various aspects, he will be able to sufficiently carry out the role of executive member of our Democratic Liberal Party [DLP]. I believe this will be of help to him. There is no change in my affection for him.

[Song Yong-on, TONG-A ILBO reporter] Mr. President, you have stated that Seoul will not be divided for the upcoming election of heads of regional administrative offices. However, I believe that problems remain in relegating the central government's direct control over special cities to provinces, dividing Kyonggi Province, and integrating cities and counties. What is your position on this?

[President Kim] I asked that since an election will be held one and a half years from now, we avoid talking about this issue if possible. I would like to point out that I don't feel any need to talk about this matter now. As I said in response to your questions on many previous occasions, I will walk the right path. We do not have to think that elections will be carried out by dividing regions. Elections will be carried out in a fair way.

[Kim Song-su, YONHAP reporter] There is still time before the DLP's national convention which is slated for May. Following the reorganization of the party's administration, the leadership system now centers around Executive Chairman Kim Chong-pil. Will there be any change in this leadership system before May? Can you give us your view on this matter?

[President Kim] Contrary to newspaper reports, I have not commented on this matter to date. Ten months have passed since the inauguration of the civilian-led government. Of my five years in office, this year will be the only one without elections. Thus, this is the year when various work must be conducted to resolve difficult issues. We must revive the economy, structurally improve and save the farms, and win in world competition.

As you all know, I have been a politician for a long time. A lot of money and manpower must be spent in order to hold a national party convention or meeting to reorganize district party chapters. The United States, one of the advanced countries and the world's most powerful country, holds a national party convention every four years when it designates a presidential candidate.

Slated for May, our DLP national convention is convened by the party president. So, if necessary, the president has the right to ask the standing committee to change the timing of the national party convention. If the standing committee adopts this request, the national party convention may not be held.

If the national party convention is to be held in May, the district party chapter must be reorganized in February, the provincial party convention must be held in March, and the national party convention must be held in May. Tens of thousands of people have to be gathered together. Is there a real need to hold such a political event this year? I believe that we should consider this matter deeply for our nation's future.

If we hold a national party convention, we will have to once again reshuffle the executive members of the party

who were appointed just a few days ago. Do you think it is appropriate to reorganize important party positions in under four months?

I do not think this is possible. I think that Executive Chairman Kim Chong-pil, in assuming actual power, has managed the party well so far. I hope Executive Chairman Kim Chong-pil will assume strong leadership to responsibly lead the party.

I have told all the ministers of the cabinet to unite around the prime minister. I have told each ministry of the cabinet to stop pursuing only its own interests. I have also told the prime minister that he must responsibly supervise each ministry.

I have entrusted Executive Chairman Kim Chong-pil with every right and responsibility.

[CHOSON ILBO reporter Kim Chang-ki] Many people have pointed out that you, Mr. President, rely too heavily on private channels, instead of official channels, in deciding on major policies, selecting government officials, and tapping public opinion. Would you comment on this?

[President Kim] I listen to the opinion of various people. I listen to people's opinions through both private and official channels. I also receive reports from various government offices. When selecting people for government offices, I fully examine candidates. I do not expect to get a perfect score each time. Not everybody is satisfied with what I have done. I don't think that you should be too concerned about this matter, though.

The presidency is a lonely and painful job. A president must make resolute decisions on numerous issues. Many people even tell me that while I smiled frequently and appeared bright before becoming president, I now appear grim. I may have overexerted myself worrying about the hazards of cold weather this summer and floods from heavy rainfall. Everyday, I worry about numerous things. I hope you understand that I appear grim for this reason. I also hope you understand that I do not make hasty decisions. My decisions are made after extensive deliberation.

[Unidentified foreign reporter, in English] At the last press conference, you said that the DPRK's nuclear development was the biggest obstacle to inter-Korean confidence. So if the nuclear problem is solved, do you think that trust can be built between the North and South? And, what concrete measures will your government take to improve bilateral relations? Thank you.

[President Kim] I have various plans in mind. We are mapping out plans now. Since negotiations are now being held on this matter, however, I think not elaborating on this issue now will benefit negotiations. I hope you understand.

[Kim Hyon-il, CHUNGANG ILBO reporter] There are many people, except those from the so-called Democratic Faction, who say that you, the president, are a tough person [musopta]. What do you think about this?

In addition, I hear that there are indications that the party congress may not be held in May. Will you please explain your idea of intraparty harmony in relation to the continuation of Executive Chairman Kim Chong-pil's system?

[President Kim] It seems that people are inclined to describe me as a tough man because I carried out many tough things during the era of confrontation between democratic and antidemocratic forces.

I am not a tough but a soft man.

Since very capable officials, including Executive Chairman Kim Chong-pil, were elected recently to key party positions, I am confident of the satisfactory and harmonious operation of the party in future, as well.

[Kim Chung-il, KYONGHYANG SINMUN reporter] Mr. President, you said that you would go anywhere in the world for the nation. Yet, you have not visited the three neighboring countries. Will you elaborate on plans to visit foreign countries like these three countries and what work will you conduct during your visits?

[President Kim] As I stated in my opening remarks, when Japanese Prime Minister Hosokawa visited our country some time ago, he extended an official invitation for me to visit. At the time, I pledged that I would visit Japan within this year without fail.

Were the Asia-Pacific Economic Cooperation [APEC] summit not held last year, I would not have gone overseas. However, since an important APEC summit was held, and considering the great significance of such a summit, I went overseas and also held a ROK-U.S. summit during the visit.

I will fulfill the pledge I made to Prime Minister Hosokawa. After discussing an appropriate time through diplomatic channels, I will decide on a time for the visit.

I think it would be better not to elaborate on visits to other countries at this time.

[Edward Paisley, FAR EASTERN ECONOMIC REVIEW reporter] Mr. President, high wages in South Korea are one of the problems facing Korea's international competitiveness. The Korean Trade Union congress, which represents hundreds of thousands of workers but it is still illegal in Korea, has offered to lower its wages and benefit demands in exchange for recognition and non-wage concessions from management. Your government has rejected this approach in 1993. Will you reconsider this in 1994 in light of wage growth of 13 percent in 1993?

[President Kim] As I stated earlier, the most important goal this year is to enhance international competitiveness. Facing an era of internationalization, we should win in the economic war without fail. The most important factor to winning is cooperation between management and workers. I want to emphasize this point.

Of course, as mentioned earlier, there are various organizations under labor unions. Also, there are many people who give priority to the interest of the nation, which must be highly considered even at this moment. I attended the New Year's ceremony held by the Chamber of Commerce and Industry on 5 January and had dialogues with businessmen. There I met many businessmen from the thirty large enterprises since the financial real-name transaction system was adopted last year and said to them: Changes have taken place in our business circles' past habits. For example, frankly speaking, the businessmen gave money to rulers in the past, but I, during my tenure, will never accept money, not even a penny, from anyone. Therefore, the businessmen must use the money they want to give me to promote investment in enterprises, to improve technology, and to enhance workers' welfare.

In the second half of last year, our enterprises made all-out efforts to gain a trade surplus. The correct statistics regarding this issue can be announced around next month, but, as of today, this surplus amount is estimated to be approximately \$2.0 billion, and the current account surplus approximately \$200 million. For the first time in four years, we could gain this surplus.

Regarding the wage issue, as mentioned earlier, I believe that this issue can be satisfactorily resolved between consultations between workers and owners this year as well.

In raising international competitiveness this year, most important is to improve technology, to achieve harmony between workers and owners, and to expand social indirect capital. It is also important to boldly lift various restrictions that block the development of the country. By doing so, we are going to seek the revitalization of the economy. The issue of harmony between workers and owners is very important in revitalizing the economy. Because of this, I told businessmen to hold dialogues with workers from now on regarding the labor issue in stead of holding dialogues with them when the issue becomes serious as was done in last year. As a result, dialogues between workers and owners are now very active.

There are some people who worry over the labor dispute this year, but I believe that this issue can be resolved through dialogues. I believe, therefore, that it is possible to resolve the issue when we concentrate all efforts and wisdom on its settlement.

[Unidentified Japanese reporter] I have a question for you regarding the nuclear issue. I feel that you seem to avoid giving concrete answers regarding the nuclear issue by saying that it is now under discussion or it is a delicate

issue. I believe that many countries are interested in and keep an eye on the nuclear issue. Your Excellency President Kim said that a sign of changes have been shown in North Korea even now while you are delivering your speech. We wonder, however, if changes are really taking place in North Korea. You also said that you can not accept President Kim Il-song's speech as it is, and that one should see things behind the contents. I would appreciate it if you could specifically explain what kinds of changes are taking place in North Korea and where the source came from.

[President Kim] Thank you. I repeat to you once again. As of this moment, for example, as of this morning, various negotiations between the United States and North Korea are underway. As I stated before, I would like to stress, however, that this does not mean that the ROK is excluded from negotiations, and that its intentions are respected. After consulting with the ROK, the United States is holding dialogues with North Korea. Even North Korea knows it. North Korea does not think that the United States holds dialogue with it, ignoring the ROK's intentions. North Korea knows that the United States holds dialogue with it after consulting with the ROK. I believe that the contents of negotiations, which were held as of this morning, must not be disclosed. Therefore, I hope for your understanding. I will say, however, progress is being made in negotiations.

[Kim Song-pok, KOREA TIMES reporter] Recently, in connection with easing regulations in the economic field, the economic circle is saying that regulations must be completely abolished. What is your view on this matter?

[President Kim] Our government's policy is to ease regulations to the utmost so that the people can freely carry out business activities. We will work to ease regulations to the utmost.

[Adrian Edwards, BBC News reporter] About the North Korean nuclear situation again. It appears we are moving toward a stage of some limited nuclear inspections being accepted by North Korea. Would you view limited inspection as a resolution of the issue or would it have to go much further?

[President Kim] As I have said before, the nuclear inspection issue is an issue to be resolved between North Korea and the IAEA. IAEA's position on this matter is very strong. I as well as the IAEA think that holding inspection superficially has little significance. Therefore, I believe that we cannot reach a conclusion on this matter at this stage.

[Chon Yong-hak, Seoul Broadcasting Service reporter] A price hike centered on public utility charges is notable from the beginning of this year. Amid this kind of price instability, do you think that the economy can be activated and that there will be no labor-management dispute?

[President Kim] Our public utility charge is the most inexpensive in the world. There are many problems

because we did not raise the public utility charge for a long time. One of the most important goals in our policy for this year is to achieve price stability. If there is no price stability, nothing can be achieved. I have already ordered that work be carried out to stabilize prices. Each matter regarding price stability will be worked out in detail. I believe that achieving price stability is an important yardstick in reviving the economy this year.

[Kim Se-hyong, MAEIL KYONGJE SINMUN reporter] Recently, there are moves to reduce the organization at some ministries. Is this related with the plan to form a small government which you talked about during the presidential election? Also, to what degree will this be extended? Can you give us your view on this matter?

[President Kim] What is most important for us is to adapt to change. If we follow work that was carried out 20-30 years ago, this will be a great problem. As the world changes, we must also change. We will never be able to win in an era of unlimited competition if we remain unchanged. Therefore, we must prudently examine this matter and decide on how we will deal with it after viewing what is truly good for the people and what is efficient.

[Ko To-won, CHUNGANG KYONGJE SINMUN reporter] Whenever you had the opportunity you said that if North Korea's nuclear issue is resolved you will promote South-North economic cooperation. In your speech today, you said that if the nuclear issue is resolved, practical South-North relations will be promoted rapidly. Can you give us your concrete plan?

[President Kim] I believe that it is correct to talk about this matter after the nuclear issue is resolved. Frankly speaking, North Korea is currently listening to everything we are saying. I don't think talking about this matter at this time will be helpful with the ongoing negotiations. I hope that you will understand the situation and be patient.

[Ko To-won, CHUNGANG KYONGJE SINMUN reporter] Mr. President, you have powerfully carried out changes and reform in many fields of our society since the new government came to office. As a result, you have won great applause from the people. However, people say that while this was of much concern to people in the past, no noteworthy changes and reforms have been undertaken in the educational domain. The education minister is present here. People expressed both interest and concern upon her appointment. Can you explain your ideas for future educational reform in more detail?

[President Kim] I think that of all reforms, education reform is most important. All work in our society is conducted by people. And people are formed by education. Thus, education is, at the same time, the most difficult work.

All successive governments in the past carried out various educational policies, from a system of school entrance examinations to educational reform drives, in

an excessively improvisational manner, thus causing great confusion among the people.

As the result of this, our education system has failed to advance and has instead regressed. Taking the example of foreign educational systems, I think early education of people is desirable. With early education, people will be able to learn many things promptly.

Our examination system is too complicated. Our people are greatly confused over this aspect of our educational system. We must carefully review this issue. I have already discussed it with the education minister. I plan to form an Education Reform Committee so as to fully discuss these problems in this committee. I believe that the new education minister has a number of ideas on educational reform and will excel in implementing them.

[Yi Kum-hyon, reporter for THE ECONOMIST] I would like to ask questions about the denuclearization of the Korean peninsula and the decision of the South Korean government to give up nuclear development.

Mr. President, in your speech this morning, you said that each nation will make maximum efforts to protect its own interests. I wonder if you, Mr. President, believe that the ROK Government's decision to abandon nuclear development will benefit the national interests of South Korea today and of a reunified ROK nation?

Second, will you explain whether the decision to abandon nuclear development may change according to changes in the surrounding conditions and to each nation's situation?

[President Kim] Thank you. The ROK people truly love peace. We were always attacked by other people. Never have we attacked others. This will not change in the future. Our defense of the Armistice Line and the Team Spirit exercise is aimed at defending ourselves, not at attacking others.

South Korea will never develop nuclear weapons in the future. I make it clear South Korea will never develop fearful nuclear weapons because this will absolutely threaten peace on the Korean peninsula, bring dire misfortunes to the lives of the 70 million fellow countrymen, result in building a big powder magazine in Northeast Asia, and is not beneficial to peace in the world.

Now, I wish to conclude the news conference now. Thank you.

Conference Draws 'Mixed Reaction'

SK0601092294 Seoul YONHAP in English 0748 GMT
6 Jan 94

[Text] Seoul, Jan. 6 (YONHAP)—President Kim Yong-sam's New Year press conference Thursday got a mixed reaction: The administration and Kim's own party hailed the chief executive for unveiling the direction of

his policy in the coming year, while the opposition criticized his policy as unrealistic.

The prime minister's office gave the president a high rating because he presented the principle and direction of the policy he will pursue in the second year of his administration.

He was clear and full of confidence in his speech, and his appeal for concerted efforts at national development and improved standards of living was impressive, it said.

Kim's stress on increased international competitiveness was a proper policy direction for the first year of an unlimited trade war under the Uruguay Round trade pact, it said.

The National Unification Board said it was encouraged by the optimism that Kim expressed about the future of inter-Korean relations and expected his optimism to have a positive influence on the North Korean nuclear issue, which is in the final stage prior to solution.

The Foreign Ministry, which is in charge of the North Korean nuclear problem, said it viewed Kim's remarks that he would do his best to solve the nuclear issue and to improve inter-Korean relations as the expression of a strong will to unravel pending issues with North Korea.

Kim's positive view of the nuclear issue will help bring North Korea to the meeting table as there are indications that the North Koreans are moving to change their policy on this issue, a ministry spokesman said.

The Defense Ministry said it was pleased with Kim's call on the people to support and encourage the armed forces in its process of rebirth under his military reform policy, which he said he would continue in his second year in office. But some ministry officials were worried about the possibility of a purge of the military under his reform policy this year.

Members of Kim's Democratic Liberal Party, especially its conservatives, said they were very happy with the president's remarks that he, as president of the party, will not call a national convention in May and that he will keep DLP Chairman Kim Chong-pil in place for at least the coming 12 months.

Kim said politics should no longer be "a burden on the people" and that all political energy and resources should be focused on boosting the economy, especially on restructuring agriculture so that it can get over the hardships of farm market opening under the global trade pact, deputy party spokesman Cho Yong-chik, who belongs to Chairman Kim's conservative faction of the DLP, said.

Under Chairman Kim's leadership, the party is firmly united to support President Kim in carrying out his policies, Cho added.

The democratic justice faction, which is also conservative, attached less importance to President Kim's support of Chairman Kim's leadership, saying that President Kim stressed the need to place more emphasis on the economy than on politics this year.

The opposition Democratic Party said that it was disappointed at President Kim's address, because he was not specific on pending issues. He failed to present any specific measures against inflation, though this is one of the most important problems to the people, and this reflects his easy-going attitude on the pressing issues, party spokesman Pak Chi-won said.

"He also failed to provide any specific programs for internationalization and market opening, which he so emphatically talked about," he added. "He disregarded the people's right to know by refusing to discuss the progress in negotiations on the North Korean nuclear issue."

Pak said that not calling a national convention of his party this year reflected Kim's plan to neutralize politics by rejecting party activity and consolidating one-man rule.

Rep. Mun Hui-sang, chief secretary to party chairman Yi Ki-taek, charged that Kim did not go beyond basic and general theories in discussing his policy.

"For instance, he emphasized the need to increase competitiveness but he did not say anything specific about his labor policy....," moon said. "His agricultural policy also lacks specifics."

Rep. Kim Pyong-o, chief policymaker of the party, said: "It's a farce that President Kim adorns his New Year press conference with rosy optimism in this era of international competition in which the law of the jungle prevails."

He said he regretted that Kim failed to offer a plan for inter-Korean arms reduction, cultural exchange and economic cooperation when peace settles on the Korean peninsula.

YONHAP on Events at Conference

SK0601062194 Seoul YONHAP in English 0533 GMT
6 Jan 94

[Excerpts] Seoul, Jan. 6 (YONHAP)—As in his first press conference, in June last year to mark 100 days in office, President Kim Yong-sam did not prepare questions to be asked nor designate questioners beforehand in Thursday's [6 January] New Year news conference at Chongwadae [presidential office]. Kim is said to have thoroughly prepared for his "live" encounter with the media since the middle of last month, making revisions over the year-end weekend.

Presidential aides chose this year's tasks to be reported and senior press secretary Chu Ton-sik drafted the speech based on their recommendations.

Kim, making jokes off and on, displayed confidence throughout the 75-minute-long conference even while receiving questions. Writing down every question, he showed efforts to make his answers as sincere as possible. He invited 70 reporters from the foreign press, and the same number of Korean reporters, and tried to give them equal chances to ask questions.

—Unlike the June conference, Prime Minister Yi Hoe-chang and all cabinet members, Executive Chairman Kim Chong-pil and leading policymakers of the ruling Democratic Liberal Party, and Chief of Staff Pak Kwan-yong and senior presidential secretaries were present.

"New Year conference will be unveiling a blueprint for this year's work and I think their (all cabinet, DLP [Democratic Liberal Party] policymakers, presidential secretariat) presence is aimed at showing the determination of the government and its party," a presidential aide said.

Kim made his New Year speech without the help of a teleprompter as he wanted to appear to the public as natural and spontaneous as possible, he said.

—President Kim Yong-sam started his New Year's press conference by reading from prepared text for about 27 minutes and then spent around 50 minutes answering questions. Reporters raised their hands and Kim randomly selected 14 from Korean media and five foreign correspondents. [passage omitted]

—Reporters burst into laughter when President Kim Yong-sam evaded attempts to get him to elaborate on possible improvement in inter-Korean relations after the North Korean nuclear issue is resolved by noting that the North Koreans were also listening to his news conference.

Kim smiled at a question about the future of close aide Rep. Kim Tok-yong, who was excluded from recent cabinet and party reshuffles.

"What a strange question to ask," he said, but nevertheless he answered it. "We (Kim and I) go back a long way. My affection for Rep. Kim, who has been through the long and dark opposition days, remains the same."

"Too many hands," Kim observed, when almost all reporters shot up their arms for a chance to ask a question. Trying to give all a chance, Kim paid attention to foreign reporters seated at the back of the room and pointed to a woman reporter. He also said thank you to each foreign reporter when they finished a question.

—Told that he depended too much on private channels in policymaking, President Kim Yong-sam said that that was an easy thing to say but untrue.

"You needn't worry about that, because I listen to opinions through both public and private channels when deciding a policy or making appointments," he said.

Kim laughed when he was described as "fearful."

"I think you say that because I did tough things in the opposition days... I'm actually a gentle type," he said.

—After his news conference, President Kim Yong-sam shook hands with cabinet members, leaders of his party and reporters. He then met with cabinet members, party leaders and senior presidential staff to review the press conference.

"I think I couldn't give all a chance to ask... As I said in the press conference, I hope the party and government unite in one mind to save the country this year," he said.

Labor Minister Nam Chae-hui said that he thought the foreign reporter who asked about illegal trade union activities and high labor costs was not fully satisfied with the president's answer, so he went to the reporter after the press conference to explain the government position.

Marking Kim's words that he will not hold a party convention in May but retain Kim Chong-pil as chairman, some ministers went up to Kim Chong-pil and jokingly congratulated him on "today's party convention."

Chongwadae officials refused to comment on the news conference, but hinted at satisfaction with Kim's tactfulness and spontaneity.

Although the president evaded questions on the North Korean nuclear problem, he made his point clear in all other issues, the officials noted. They explained that Kim's comment that it is wrong to stick with 30-year-old ways of working and thinking should not be taken as his word on reorganization of the government.

"The president did not mean government restructuring, but some role changes considered by some ministries," Chief Presidential Secretary Pak Kwan-yong said.

Business Groups Welcome President's 1994 Address

SK0601025394 Seoul YONHAP in English 0246 GMT 6 Jan 94

[Text] Seoul, Jan. 6 (YONHAP)—Major economic organizations welcomed President Kim Yong-sam's New Year address Thursday [6 January] because it set the goal of state administration for the new year as improvement of the country's competitiveness in the new age of internationalization and openness.

The Korea Chamber of Commerce and Industry said that Kim's speech would help provide momentum and encourage industry since it presented a policy direction aimed at expansion of infrastructure, relaxation of administrative regulations and improvement of industrial structure for ensuring cost-effectiveness.

The Federation of Korean Industries [FKI] said it was proper for the government to relax administrative regulations, boost investment, increase exports through

industrial peace and revive the economy. FKI said it was waiting for concrete follow-up measures to boost industry.

The Korea Foreign Trade Association said that the target for improving competitiveness was timely because this is in an age of internationalization and openness, but it sought concrete measures for continual growth of exports.

The Korea Federation of Small Business said the government's strong will to increase competitiveness was encouraging for small companies but it hoped more substantial measures would be taken to boost the competitiveness of small companies as they are the roots of the national economy.

It expressed satisfaction that the government will form a committee on development in rural and fishery areas to advise the president how to support farmers and fishers, who may suffer the largest loss because of the Uruguay Round trade accord.

The Korea Employers' Federation said President Kim had given economic activists confidence by showing a direction for the economy to follow, but called on the government to pay more interest in industrial harmony.

Parties Act To Assuage Pre-Election 'Overheating'

SK0501071694 Seoul YONHAP in English 0541 GMT 5 Jan 94

[Text] Seoul, Jan. 5 (YONHAP)—The ruling and opposition parties have begun to take action to dampen the already overheating atmosphere for elections of heads of local autonomous governing bodies more than a year from now. No sooner had 1994 dawned on this land of politics-preoccupied people than they began to talk about the local elections, aided by the speculation, gossip and even idle chat being circulated widely as "political news" in newspapers and on television.

There have been suggestions that the government and ruling party will scrap the current system of special cities, like Seoul and Pusan, merging them with rural areas and redrawing election districts in a Korean version of gerrymandering. Immediately, vehement charges were leveled against what apparently was a balloon floated by someone to test the reaction, mainly from opposition parties, to the idea of redistricting.

There have also been reports that the government and ruling party are planning to reshuffle provincial governors and large city mayors soon in an attempt to put them in advantageous positions in preparation for the local elections.

Surprised at how quickly their political game overheated, the ruling Democratic Liberal Party (DLP) and main opposition Democratic Party (DP) hastily called party postholder meetings Tuesday and declared that "It is undesirable to go into the election campaigns already."

There are too many items on the political agenda that require immediate attention, they said. But there is a gulf between the DLP and the DP in their views on what they have to do right now and what they would do for the local elections.

The ruling party says what it has to do now is to carry out the national policy of President Kim Yong-sam smoothly and help him to strengthen the nation's economic competitive power in the era of globalization.

At the same time, the ruling party is tacitly showing that its electoral strength is not so "weak" that it needs to redraw the boundaries of administrative districts.

DLP Secretary-general Mun Chong-su said that if his party and the government succeed in reforming and boosting the competitive power of the country, they can even win the mayoral election in Seoul, traditionally a bulwark of the opposition.

Meanwhile, the DP has picked three major issues—inflation, the North Korean nuclear question, and the effects of the Uruguay Round of trade negotiations—as needing quick solutions.

In order to discuss these issues, the DP is demanding that the National Assembly hold an extraordinary session in January.

The reason for the DP to show a sharp reaction to any suggestion of administrative redistricting is because it is wary of the purpose behind the move by the ruling party and the government, rather than the redistricting itself.

Rep. Cho Se-hyong, a member of the Supreme Council of the Democratic Party, alleged that Kim Yong-sam helped "overheat" the election atmosphere from January 1992 in order to win the presidential election that December.

"Local elections have to be held normally," he said, without elaborating on what he meant by "normally."

In any event, the DP believes that there is a strong possibility that the ruling party and government will redraw the administrative districts in order to put themselves in a better position for the local elections.

The DP bases its belief on the fact that Choe Yang-pu, who was recently appointed senior presidential secretary for agricultural affairs, published a book in 1988 that advocates rational administrative redistricting, merging large cities with rural areas.

The gist of his idea was to form one special city and 16 provinces.

The opposition, while protesting the move for administrative redistricting, is already working on countermeasures, party sources said.

Handling of Hanahoe-Affiliated Officers Queried

SK0501044894 Seoul HANGYORE SINMUN in Korean
4 Jan 94 p 4

[Article by Yi Sang-ki]

[Text] With the release from their posts of Lieutenant General Yi Taek-hyong (the 19th Class of the Korean Military Academy, KMA), chief of the Strategic Planning Bureau of the Joint Chiefs of Staff [JCS] and member of Hanahoe, a once-powerful ROK Army inner circle, and Lieutenant General Kim Sang-chun (the 19th Class of the KMA), director of the Operations Center at the JCS and Hanahoe member, and their return to Army Headquarters on last 30 December, the public's attention is focused on how National Defense Minister Yi Pyong-tae will deal in the future with officers affiliated with Hanahoe.

It was learned that the personnel reshuffle of the two lieutenant generals this time was in line with the military reforms by the ROK military authorities following the release from his post in July last year of Major General Yi Chung-sok, (the 21st Class of the KMA), director of the Operations Bureau at the JCS, because of the "remarks" he reportedly made at a dinner party of the JCS. (He was discharged from the Army in August)

However, the fact that the two lieutenant generals had still one year left in their terms of office at the posts and that their release was the first personnel action taken by the newly appointed minister, who was also a Hanahoe member, can be viewed to be quite unusual.

On 30 December last year Defense Minister Yi Pyong-tae called General Kim Tong-chin, chief of staff of the ROK Army, into his office and had a 30-minute secret conversation with him. In the conversation Defense Minister Yi Pyong-tae reportedly informed General Kim Tong-chin of his plan to eliminate Army officers affiliated with Hanahoe. Thus, the release of the two lieutenant generals at the JCS became the first personnel action that the new defense minister took after consulting with Chongwadae [presidential office].

Accordingly, people are predicting that the National Defense Ministry under the new minister will follow a "hardline" track in dealing with Hanahoe-affiliated officers. On the eve of the Army's periodic personnel reshuffle of last fall, General Kim Tong-chin, chief of staff of the Army, declared that "Hanahoe-affiliated officers who have enjoyed thus far special favor in promotion and duty position will be subjected to disadvantage for one year." Our attention is focussed on whether such a promise by General Kim will be carried out.

Moreover, many people indicate that there is a good possibility that a conflict between the "hardliner" defense minister and "lenient" chief of staff of the Army will take place in dealing with Hanahoe-affiliated officers.

On the other hand, some people hold that the fact that the new minister was member of Hanahoe will rather narrow the scope of his activity of handling Hanahoe-affiliated officers in the future. This is convincing. Convincing is also the analysis that President Kim Yong-sam's plan to "eliminate Hanahoe members through a Hanahoe member" is based on his high-level political calculation. Some people also indicate that although Defense Minister Yi himself was a Hanahoe member, but belonged to an alienated group within Hanahoe and that, therefore, he has not good feelings toward Hanahoe itself.

Being a member of Hanahoe, if Defense Minister Yi withdraws the disadvantage in promotion and duty position imposed on Hanahoe members, this may create a serious conflict between those officers from the KMA and those from non-KMA background and between Hanahoe member officers and non-Hanahoe member officers.

On the other hand, a section of the military circles estimates that under the new government the principle of eliminating Hanahoe-affiliated officers will be thoroughly adhered to and that the emergence of those pro-U.S.-leaning general officers or those general officers with some connections with the United States will be remarkable.

In this connection, noting that the United States, which exercised great influence in the military personnel affairs during the era of President Pak Chong-hui, could not fully exercise its influence during the fifth and sixth republics because of the emergence of Hanahoe-affiliated officers a military source predicts that the U.S. influence over the military personnel affairs of the ROK Armed Forces will be revived in the future.

Samsung To Build Production Plant in Portugal

SK0501234594 Seoul THE KOREA HERALD in English 6 Jan 94 p 8

[Text] Samsung Electronics, the nation's leading semiconductor manufacturer, will establish a joint chip production plant in Portugal with Texas Instruments (TI) of the United States, the company announced yesterday. Samsung is the first Korean semiconductor firm to build an overseas production plant. Under an agreement on capital ties, Samsung and TI will invest a total of \$50 million to expand a TI plant in Porto, northern Portugal, according to the company.

At the plant, TI has been producing low value-added nonmemory chips. Samsung and TI will equip the plant with advanced semiconductor production facilities. Samsung will concentrate on 4M and 16M DRAM memory chips for sale in European countries, while TI will produce high value-added logic chips, according to the company. The plant will begin operations in the second half of this year. With the facilities, Samsung will

be able to expand semiconductor exports to European countries without being embroiled in trade disputes, a company spokesman said.

Samsung and TI reached the agreement on the joint-venture plant last December and have been waiting for the go-ahead from the Portuguese Government. The two obtained approval recently.

The agreement basically concerns capital ties for the plant and hence does not involve technological or business cooperation. But the two intend to increase their ties in the future, according to a company spokesman.

Last November, Samsung signed an accord on technological cooperation with Micron Technology of the United States for the development of the next-generation memory chips. Taken together, the two agreements laid the foundation for closer cooperation between the United States and Korea in the field of semiconductors, the company said.

*** Reporters Evaluate National Assemblymen**

942C0048A Seoul SIN TONG-A in Korean Dec 93 pp 250-264

[Report on a SIN TONG-A poll of 72 political reporters on the performances of the 14th National Assembly and its members, by the SIN TONG-A Editorial Department]

[Text] A year and a half has elapsed since the 14th National Assembly was sworn in. How is the public viewing it? SIN TONG-A has conducted a survey to evaluate its performance and performances of individual assemblymen.

Analyses and evaluations of parliamentary activities and of individual lawmakers should, in principle, be carried out by directly polling voters. Realistically, however, data on parliamentary activities are not readily available for the public. Of late, Kyongsilnyon and a few other groups and scholars have begun monitoring, analyzing, and evaluating assemblymen's parliamentary activities, but their work is still in its initial stage and unable to offer information to the public in general.

Considering these facts, the survey was carried out by polling political reporters of newspapers, radios and press agencies assigned to the coverage of the National Assembly, political parties and individual lawmakers. The reason was that the public is inevitably influenced by mass media in their impressions of the National Assembly and its members, and that the evaluations by reporters watching political developments can provide important data. At the same time, SIN TONG-A's judgement was that they can speak accurately for the public on their feelings toward the National Assembly and its members.

Our purpose was to verify if the assemblymen elected are performing as the voters want them to. It was not our

purpose to make any journalistic approach to parliamentary politics or to show the likes or dislikes about any individual lawmakers.

The poll was conducted by distributing the prepared questionnaire sheets—listing 14 questions about activities of the National Assembly and its members—directly to reporters at the reporters rooms in the National Assembly and the Democratic Liberal Party [DLP] and Democratic Party [DP] headquarters, and retrieving after they filled them out. A hundred-odd questionnaire sheets were distributed and 72 reporters responded. The retrieved sheets showed traces of great pains they took with their responses.

The 14th National Assembly—the result of the general election held on 24 March—opened on a squeaking note. The ruling and opposition parties, in a confrontation over the issue of the legally overdue mayoral and gubernatorial elections, had already clashed in the bargaining over the procedures of the opening. The assembly barely managed to open on 29 June, recessing without doing anything but electing the speaker (Pak Chun-kyu) and vice speakers (Hwang Nak-chu and Ho Kyong-man). Thus, it idled away its 30-day first session.

Then, the DLP decided to unilaterally convene the National Assembly to railroad a revision of the local autonomy law (for holding the mayoral and gubernatorial elections in 1995). The assembly was convened on 1 August but the limping continued. Meanwhile, the regular plenary session opened on 14 September but, under the pressure of the upcoming presidential election, had to recess in less than 50 days or half of its legal length. Although it barely completed its formation in early October, the 14th National Assembly remained unable to concentrate on its primary duty because of the imminent presidential election.

Then came the forceful reform drive of President Kim Yong-sam early this year, flustering the National Assembly. Assemblymen do not dare to conceive institutionalization of reform, or checking government policies, or presenting alternative policies. They only dithered about trying to read the president's mind. The upheavals brought on by the administration's audit-and-inspection and the public disclosure of property programs plunged the National Assembly into an unprecedented crisis, forcing a former speaker and the current speaker to resign their assembly seats. Even the opposition, not to mention the government party, could not properly respond to the reform wind. Assemblymen exposed themselves as a bunch of weaklings who would only sit back and watch the president's "one-man race."

Also, in the parliamentary inquiries into the Yulgok defense buildup program, the 12.12 [12 December 1979] incident and the Peace Dam scandal, the 14th National Assembly indeed made its efforts to bring out the truth but, to the eyes of the public, its performance fell short of their expectations. The public also assessed as inadequate its performance in the regular parliamentary

inspection of the administration this year. Furthermore, it even wasted a whole week because of the squabble over the liquidation-of-the-past issue, demonstrating that as far as the National Assembly is concerned, nothing has changed.

Such being its performance, the appraisals of the 14th National Assembly could be anything but high. Of the respondents, 66.7 percent (48 persons) saw no particular difference in it from its predecessors, while 8.3 percent gave it negative ratings—6.9 percent viewed its level of parliamentary activity as "relatively low" and 1.4 percent as "low." On the other hand, a quarter of the respondents (18 persons, 25.0 percent) gave it positive ratings, viewing the 14th National Assembly as performing more constructively than any of its predecessors.

Compared with a similar survey conducted by SIN TONG-A in 1991, the numbers indicate that the 14th National Assembly are rated more favorably than the 13th. In the 1991 survey, only 12.9 percent gave the 13th National Assembly positive ratings while 38.6 percent voted in the negative and 48.6 percent said that it was a mediocre assembly. The survey this time found a decrease in the negative responses and a gain in the positive.

Nevertheless, two-thirds of the respondents could find nothing new of the present National Assembly. This seems to reaffirm the fact that in contrast to developments in other realms, nothing has changed in the political world, and that the public sees the way the National Assembly is in the negative light.

In the questionnaire, the reporters were asked what they saw as the most distinguishing feature of the 14th National Assembly. Nearly one-half (33 persons, 45.8 percent) cited the presentation of alternative policies while only 6.9 percent and 2.8 percent respectively picked legislative activities and activities to check the administration, both the primary functions of the National Assembly, in what seems to unveil a legislature overwhelmed by the government's reform drive.

Some respondents noted that even in the presentation of alternative policies, the 14th National Assembly does not measure up to expectations. Their point is that thanks to efforts by some assemblymen who breathed fresh air into the assembly, parliamentary activities showed some signs of productiveness but nevertheless failed to be positive in showing alternative policies. In this connection, two reporters commented that the legislature is in a "state of lethargy."

Noteworthy is the fact that 41.7 percent of the respondents (30 persons) picked "improvement in ethical consciousness" as the distinguishing feature of the 14th National Assembly. It seems to be a natural aftermath of the audit-and-inspection and public disclosure of property upheavals; however, it can be said that the rise in ethical consciousness has its limitations because it represented not the result of a voluntary resolution or

movement of the National Assembly but a passive response to the president's "high-handed" drive.

No matter what led to it, the fact that assemblymen made a public disclosure of their wealth for the first time is recognized as an extraordinary change, not only because it will undoubtedly help end irregularities and corruption in elections that have been frowned upon by the public, but also because it will go a long way toward shutting off from politics those who accumulated their wealth by dishonest means.

In this connection, it is noteworthy that 75.0 percent of the respondents found assemblymen "wealthier than I thought." A look at the disclosed property of grade-one or higher officials in the legislative, executive, and judicial branches, the Constitutional Court, and the Central Election Committee—disclosed to the public on 7 September in accordance with the Public Office Holders Ethics Law—will explain the reason for the high percentage. While the public disclosure involved a total of 1,167 officials, as many as 64 assemblymen were among the top 100 "men of wealth."

Especially, the top 15 were all assemblymen. Conspicuously, however, none of those picked by the reporters as "assemblyman of outstanding legislative activity" or "promising assemblyman" or "assemblyman of high credibility among colleagues" was included among them.

The average wealth of assemblymen was reported at 2.61 billion won, somewhat close to the average worth of the entire public office holders subjected to the disclosure action, which was 1.42 billion won. In particular, the average worth of DLP lawmakers was 3.25 billion won, compared with 1.26 billion won of opposition assemblymen, or the executive branch's 860 million won, or the judicial branch's 1.19 billion won.

Meanwhile, 9.7 percent of the respondents saw the disclosed wealth of assemblymen as an "appropriate size" and 12.5 percent as "smaller than I thought." Two persons said that they have no answer.

The next question was about the pay for the assemblymen. At a glance, the responses appeared to contradict those concerning the wealth of assemblymen, for 30.6 percent saw the need for a large pay raise and 44.4 percent a small raise. In other words, 75.0 percent were of the opinion that they should be given a raise. Meanwhile, 22.2 percent said that the present pay scale is appropriate. One reporter said that their pay should be cut. (Another had no answer.)

One of the respondents explained that "the responses that the amount of their wealth is unexpectedly large are average of the legislative branch. As for those young and new assemblymen, we feel that the present pay scale is not enough to assure satisfactory parliamentary activities."

What he means is that assemblymen need political funds for satisfactory parliamentary activities, and because it is

difficult to raise the necessary funds from supporters alone, the government should help them.

Ex-Activists Leading in Legislative Activities

The reporters were then asked about the "necessary conditions for satisfactory legislative activities." They were asked to consider four elements—assemblyman's political insight, political fund, party support, and activity for constituency—and indicate the order of precedence. The result: 69 persons or 95.8 percent picked "assemblyman's political insight" as the most important element. Only 4.2 percent (3 persons) voted for "political fund" as the most important. None picked "party support" or "activity for constituency" for the top place. For the second important factor, 31.9 percent picked "political fund" while 29.1 percent voted for "party support." And 16.6 percent picked "activity for constituency" as the next important factor.

Then, what are the levels of the members of the 14th National Assembly to the eyes of the reporters who see "political insight" as the most important qualification of assemblyman? How many do they think have the capabilities and dignity befitting assemblymen? Fifty percent of the respondents said that only one-half of the assemblymen meets that qualification. More specifically, none picked "90 percent or more" as the proportion of assemblymen meeting that qualification; 15.3 percent picked "60 to 70 percent"; 34.7 percent picked "approximately 50 percent"; 31.9 percent "about 30 percent," and 18.1 percent answered "less than 30 percent."

Next, the reporters were asked to grade individual assemblymen whom they know through their work. They were asked to pick five assemblymen in four categories—"assemblyman whose legislative activity is considered most vigorous," "assemblyman who is demonstrating qualities of a rational and democratic politician and is very likely to grow to be a superb politician," "assemblyman who seems to have the highest credibility among colleagues," and "assemblyman who engaged in parliamentary activity giving a negative impression (e.g., persons who made illogical, slanderous, irresponsible or stupid remarks)."

It is assumed that their grading of individual assemblymen were influenced by their experiences in official and unofficial coverage activities and by their personal likings. However, the tally showed a clear-cut trend in the choice of the respondents, in particular with the ten lawmakers who received most votes.

The top ten assemblymen picked by the 72 political reporters for most contributions to legislative activities are:

- (1) Yi Hae-chan (41, DP; Kwanak-B, Seoul; 34 votes); (2) Yi Sok-hyon (43, DP; Anyang-B, Kyonggi; 32 votes); (3) Kim Won-kil (51, DP; Tobong-B, Seoul; 27 votes); (4) Kim Won-ung (49, DP; Taedok, Taejon; 22 votes); (5) Kang Chang-song (65, DP; national constituency; 16 votes); (6) Yim Pok-chin (50, DP; West-B, Kwangju; 14

votes); (7) Sin Kye-ryun (39, DP; Songbuk-B, Seoul; 14 votes); (8) Pak Sok-mu (50, DP; Muan, North Cholla; 13 votes); (9) Pak Myong-hwan (55, DLP; Mapo-B, Seoul; 12 votes); (10) Son Hak-kyu (47, DLP; Kwangmyong, Kyonggi; 11 votes)

Yi Hae-chan, who won the most votes in the previous survey, retained his top place, followed by Yi Sok-hyon, a freshman assemblyman. Conspicuous is the rise of Son Hak-kyu who made the top ten only seven months after his election in an April by-election. The fact that the list includes as many as four former activists seems to point to the successful performances of the ex-activists since their move into the *chedokwon* [conservative camp]. It is noteworthy that those who had been active participants in the democratization movements until they were elected to the National Assembly are being favorably viewed as assemblymen, too.

Needless to say, some object to this observation. They contend that such ratings by reporters are more a propensity analysis than a political analysis. Their point is that the preconceived notions of reporters—who are hoping for an end to outdated political styles—would prompt them to take the side of those reformists who are in the same age bracket and share similar values with them. A reporter said: "For instance, dominant in 'Assembly Sketch'-type articles these days are comments by party executives and crusaders for clean politics. They carry no stories about the middle group." Young assemblymen's public relations strategy, he observed, appears to be working as a factor attracting young reporters.

Anyway, the top ten list seems to indicate that the former activists impressed the reporters with their image of diligence, while assemblymen like Kang Chang-song and Yim Pok-chin, both defense and foreign policy experts, and Kim Won-ung, who is a rare ex-businessman among opposition assemblymen, earned their high ratings by distinguishing themselves in their respective fields. Kim Won-kil, Pak Myong-hwan and Pak Sok-mun are also known for "diligence" in their parliamentary activities.

One thing to be noted is that except Yi Hae-chan and Pak Sok-mu, they are all freshman assemblymen. Of the top ten picked in the same category in the previous survey of the 13th National Assembly, six were reelected to the 14th National Assembly—Yi He-chan, Yi Chol, Pak Sok-mu, Cho Se-hyong, Kim Yong-chin, and Kim Won-ki. Of the six, only two made it this time.

The fact that the ratings on ruling party assemblymen are relatively low seems to have something to do with structural matters. Undoubtedly, it comes in part from the fundamental nature of the ruling party which is basically the government party. In addition, before proceedings begin in the National Assembly, ruling party assemblymen are already required to comply with decisions made in the party-government consultation processes; as a result, they naturally cannot be as offensive as opposition assemblymen. Nowadays, some ruling party assemblymen criticize the government and present

alternative policies like opposition assemblymen do. But the survey found that their activities are not forceful enough to impress the reporters. With all these things taken into consideration, the fact that only two DLP assemblymen are ranked among the top ten still seems to point to the need for redoubled efforts on the part of ruling party assemblymen.

From the national constituency, which is of the nature of professional representation in that it gives specialists in specific fields an opportunity to be elected to the National Assembly, only Kang Chang-song made the top ten, a fact indicative of how active national constituency assemblymen are in their legislative activities.

The tally also included the following results:

10 votes: Che Chong-ku (DP); 9 votes: Kim Yong-chin (DP), Pak Sang-chon (DP); 8 votes: Pak Kye-tong (DP), Pak Chong-ung (DLP); 5 votes: Kang Sam-chae (DLP), Kang Su-rim (DP), Kim Hyong-o (DLP), Na Pyong-son (DP), Yim Chae-chong (DP), Chang Chun-ik (DP), Han Hwa-kap (DP); 4 votes: Kang Kyong-sik (DLP), Kim Pyong-o (DP), Pak Pom-chin (DLP), Song Tu-ho (DLP), Chong Kyun-hwan (DP); 3 votes: Kim Chung-wi (DLP), Pak Chu-chon (DLP), Yi Pu-yong (DP); 2 votes: Kang Chae-sop (DLP), Kim Yong-il (DLP), Kim Chung-cho (DP), Na O-yon (DLP), Pak Chi-won (DP), Pak Hon-ki (DLP), Paek Nam-chi (DLP), Song Chon-yong (DLP), Won Hye-yong (DP), Yu In-tae (DP), Yi Kyu-taek (DP), Yi Yun-su (DP), Chong Sang-yong (DP)

The number of assemblymen who received two or more votes was 44 or 14.7 percent of the 299 total number of assemblymen. Meanwhile, 24 assemblymen got one vote each. This means that 68 assemblymen—22.7 percent of the total number of assemblymen—impressed the reporters with their legislative activities. Assemblymen who received a single vote are: Kim Yong-kwang, Kim Yong-ku, Kim Pyong-il, Kim Un-hwan, Kim In-yong, Kim Hae-sok, No Sung-u, Mun Chong-su, Mun Hui-sang, Pak Kwang-tae, Pak Il, Pak Tae-yong, So Sang-mok, Sin Ki-ha, Sin Sun-pom, Yi Kon-yong, Yi Ho-chong, Yi Hwan-ui, Chong Tae-chol, Cho Se-hyong, Cho Sun-hyong, Cho Il-hyon, Cha Su-myong, Choe Yong-han.

Yi Pu-yong Picked as Most Promising

The second question was about the future of individual assemblymen. While the first question was about the "accomplishments" to date, this one was about the "potential." Yi Pu-yong was found leading overwhelmingly in this category. The top ten are:

(1) Yi Pu-yong (51, DP; Kangdong-A, Seoul; 51 votes); (2) Yi Hae-chan (41, DP; Kwanak-B, Seoul; 26 votes); (3) Son Hak-kyu (47, DLP; Kwangmyong, Seoul; 19 votes); (4) Kang Chae-sop (46, DLP; West-B, Taegu; 13 votes); (5) Che Chong-ku (49, DP; Kwangmyong, Sihung, Kyonggi; 15 votes); (6) Kang Sam-chae (41, DLP; Hae-won, Masan; 13 votes); (6) Kim Tok-yong (52, DLP; Socho-B, Seoul; 13 votes); (8) Yi Hyop (52, DP; Iri,

North Cholla; 9 votes); (9) Chong Tae-chol (49, DP; Chung, Seoul; 8 votes); (9) Han Hwa-kap (56, DP; Sinan, South Cholla; 8 votes)

It is recalled here that Yi Pu-yong, pressing for new politics as a leader of the reformist group in the DP, received only three votes in the category of "accomplishments." Equally noteworthy is the fact that Kim Tok-yong, who received not a single vote in that category, and Chong Tae-chol, who received only one vote in the same, were respectively ranked in the 6th and 9th spot in this category about how promising individual assemblymen are.

The landslide for Yi Pu-yong can be attributed to the fact that the assemblyman whose name was already a synonym for reform has successfully adapted himself to real politics, and that he is one of the reform leaders in the National Assembly. It seems that reporters gave Yi Hae-chan, Son Hak-kyu, Che Chong-ku and Yi Hyop high points for their potential as reformists. As for DLP spokesman Kang Chae-sop, ranked in the fourth place, he and reporters find congeniality in each other for the age factor. Moreover, he is one of the most clear-headed and brilliant. These things and his successful move to the YS [Kim Yong-sam] group apparently brought him high ratings in this category.

Kim Tok-yong, first minister of state, and Chong Tae-chol are respectively viewed as the ruling and opposition party champion of the new generation. Kang Sam-chae is deeply involved in the reform program of the DP as a real power of the RDP [former Reunification Democratic Party] faction; in addition, his age seems to make him a promising assemblyman. These factors must have been taken into account. As for Han Hwa-kap, reporters apparently considered the fact that he is seen as the next representative of the Tonggyo-tong faction "vacated by Kim Tae-chung." People say that the way Han Hwa-kap is acting these days makes them think of Kim Tae-chung, stirring nostalgia among them.

The following is the tally on other assemblymen in this category:

7 votes: Sin Kye-ryun (DP), Yi Chol (DP), Hong Sa-tok (DP); 6 votes: Kim Won-kil (DP), So Sang-mok (DLP); 5 votes: Pak Sok-mu (DP), Cho Se-hyong (DP); 4 votes: Kim Won-ki (DP), Paek Nam-chi (DLP), Yu Chun-sang (DP), Yi Ki-taek (DP), Yi Sok-hyon (DP), Han Kwang-ok (DP); 3 votes: Kim Yun-hwan (DLP), Kim Yong-o (DLP), Mun Hui-sang (DP), Pak Kye-tong (DP), Pak Sang-chon (DP), Pak Chong-ung (DLP), Pak Chi-won (DP), Pak Hon-ki (DLP), Yi In-che (DLP); 2 votes: Kang Chang-hui (independent), Kim Won-ung (DP), Kim Yong-il (DLP), Kim Chung-wi (DLP), Kim Chung-cho (DP), Na Ung-pae (DLP), Pak Myong-hwan (DLP), Pak Pom-chin (DLP), Won Hye-yong (DP), Yim Chae-chong (DP), Chong Kyun-hwan (DP), Chong Sang-yong (DP), Choe Chae-uk (DLP)

Altogether, 45 assemblymen or 15 percent of the entire assemblymen received two or more votes. Meanwhile 33

received one vote each and they were: Kang Su-rim, Kang In-sop, Kim Sang-hyon, Kim Yong-ku, Kim Chong-ho, Na O-yon, No Chae-pong, Pak Kyong-su, Pak Sil, Pak Un-tae, Pak Chong-hun, Pak Chu-chon, Pak Chan-chong, So Hun, Son Se-il, Song Chon-yong, Sin Ki-ha, Sin Sang-u, O Chong-sop, Yi Kil-chae, Yi Man-sop, Yi Sun-chae, Yi Yong-sam, Chang Sok-hwa, Chang Chae-sik, Chong Mong-chun, Cho Pu-yong, Cho Sun-hyong, Cho Yong-chang, Choe Pyong-yol, Choe Hyong-u, Ho Kyong-man, Hwang Nak-chu.

The third question was about credibility among colleagues. Yi Pu-yong topped the list in this category, too. Unlike in other categories, more senior party leaders made the top ten. Another characteristic point was that votes were more scattered. The following are the top ten and ties (13 in total):

(1) Yi Pu-yong (51, DP; Kangdong-A, Seoul; 22 votes); (2) Kim Yun-hwan (61, DLP; Sinsan, Kunwi, Kyonggi; 16 votes); (3) Yi Man-sop (61, DLP; national constituency; 11 votes); (3) Yi Hyop (52, DP; Iri, North Cholla; 11 votes); (5) Che Chong-ku (49, DP; Kwangmyong, Sihung, Kyonggi; 10 votes); (6) Cho Se-hyong (62, DP; Songdong-B, Seoul; 9 votes); (6) Kim Won-ki (56, DP; Chongju, Chongup, North Cholla; 9 votes); (8) Kang Chae-sop (46, DLP; West-B, Taegu; 7 votes); (9) Yi Hae-chan (41, DP; Kwanak-B, Seoul; 6 votes); (9) Chong Tae-chol (49, DP; Chung, Seoul; 6 votes); (9) Cho Sun-sung (64, DP; Sungju, South Cholla; 6 votes); (9) Choe Hyong-u (58, DLP; Tongnae-B, Pusan; 6 votes); (9) Kan Kwang-ok (52, DP; Kwanak-A, Seoul; 6 votes)

That an assemblyman enjoys high credibility among colleagues can be interpreted in a variety of ways. First, it suggests that he is sociable and is respected. It could also mean that he is practicing politics on the basis of debate and compromise. Those listed among the top ten are mostly known for their relatively modest and reasonable lines.

In this sense, the fact that assemblymen like Yi Pu-yong, Yi Hyop, Che Chong-ku and Yi Hae-chan are ranked high in this category disproves, in effect, the common knowledge that ex-activists who are "making important contributions to legislative activities and considered promising assemblymen" are usually not rated as high in the "credibility among assemblymen" category. At the same time, it carries a lesson to assemblymen who are the subjects of criticism that their excessive elitism and radical style are alienating themselves from colleagues.

Kim Yun-hwan of the DLP, ranked second in the top ten, is reportedly in an ill mood these days because of Yu Song-hwan of the RDP faction in the same party, who attempted to make an issue of his past record. He has continued to move up the ladder since the Yusin era [under President Pak Chong-hui] and is currently expected to play a "godfather" role for the DJP [former Democratic Justice Party] faction which is under the pressure of the RDP faction. The high ratings of his

popularity among assemblymen seem to reflect the perceived "hopes" of the DJP faction as well as the affability of Kim Yun-hwan himself.

Speaker Yi Man-sop came, conspicuously, in the third place. The ratings for him seem to reflect sentiments of assemblymen pinning their hopes on his declaration that "a speaker of the National Assembly should never allow himself to be influenced by Chongwadae" and that "while I am the speaker, there will be no railroading by surprise." As for Kang Chae-sop, DLP spokesman, it is observed that his deft handling of personal relationships led to the ratings.

Ratings for other assemblymen:

5 votes: Kim Tok-kyu, Yi Han-tong; 4 votes: Kim Pyong-o, Pak Chol-on, Sin Sun-pom, Yu In-tae, Yi Chol, Cho Sun-hyong, Hwang Nak-chu; 3 votes: Kang Sam-chae, Kim Chong-ho, Kim Chung-wi, Kim Chin-chae, Kim Tae-sik, Na Ung-pae, Pak Sok-mu, Pak Hon-ki, Sin Kyong-sik, Sin Sang-u, Choe Chae-uk, Han Hwa-kap; 2 votes: Kang Chang-song, Kang Chang-hui, Kim Tok-yong, Kim Pyong-o, Kim Yong-ku, Kim Won-kil, Kim Won-ung, Kim Chung-cho, Pak Kyong-su, Pak Sang-chon, Pak Hui-tae, Paek Nam-chi, Son Hak-kyu, O Se-ung, Yi Sang-tuk, Yi Song-ho, Yi Chun-ku, Yim Pok-chin, Chang Chun-ik, Chang Chae-sik, Chong Pil-kun, Hwang Nak-chu.

Altogether, 57 assemblymen received two or more votes, while 48 received one vote each.

In the above three categories, Yi Hae-chan is the only assemblyman who made the top ten in all of them. He topped the list in the "legislative activity" category, in the second place in the "promising assemblyman" category, and in the ninth in the "credibility" category. Meanwhile, in Yi Pu-yong's case, he emerged at the top in two categories but fell way behind in the "legislative activity." Other assemblymen who made the top ten in two categories are: Son Hak-kyu ("promising" and "legislative activity"), Kang Chae-sop, Yi Hyop, Che Chong-ku, and Chong Tae-chol ("promising" and "credibility").

The fourth question was who the reporters think are misfits as assemblyman. In this category, 101 assemblymen received one or more votes. (The number of them who received two votes or more was 57.) Of the top ten, seven were DLP assemblymen, two DP, and one UPP [United People's Party]. The first place went to Rep. "B" of North Kyongsang (DLP, 27 votes), followed by Rep. "B" of South Chungchong (DLP, 18 votes), Rep. "Y" of the national constituency (DLP, 18 votes), Rep. "J" of North Chungchong (DP, 14 votes), Rep. "J" of Kyonggi (UPP, 13 votes), Rep. "K" of North Kyongsang (DLP, 12 votes), Rep. "Y" of the national constituency (DLP, 9 votes), Rep. "K" of North Kyongsang (DLP, 8 votes), Rep. "P" of Seoul (DP, 8 votes), and Rep. "J" of Taegu (DLP, 7 votes).

Such being their ratings of the 14th National Assembly, what do the reporters see as its problems? The survey found 48.6 percent (35 persons) citing "the lack of vision in leading the civilian government era" as the biggest problem, followed by 22.2 percent (16 persons) picking "the National Assembly Law and the way it is being steered," 18.1 percent (13 persons) accusing the legislature of being swayed too much by the party interests, and 11.1 percent (8 persons) charging that assemblymen are preoccupied with the interests of their constituencies and of themselves.

In the previous survey, 58.6 percent of the respondents saw "political activities swayed by the party interests" as the biggest problem of the 13th National Assembly. The lower percentage this time is interpreted as the public demand for a legislature worthy of the civilian government era has been overwhelming. Both at the time of its launching and during the recent regular session, it demonstrated the lingering old practices. Reporters are of the opinion that they will very likely be compelled to highlight the same unresolved problems again.

The reporters were also asked what they felt while watching assemblymen's parliamentary activities. To this question, 34.7 percent (25 persons) pointed out that "the levels of individual assemblymen should improve," while 29.2 percent (21 persons) noted that "political parties should be democratized" and 8.3 percent (6 persons) cited the need for amendments to the National Assembly Law and for reasonable management of parliament. Those who cited the need for solution to the political fund issue were only 2 persons (2.8 percent). This indicates that as far as reporters are concerned, they had drawn the conclusion that in order for the National Assembly and its members to act as they should, assemblymen and political parties have to change, and that there are no other ways after all.

To the question concerning influences affecting parliamentary activities of the 14th National Assembly, 32 persons (44.4 percent) picked media, followed by 22 persons (30.6 percent) citing party leadership, and 13 persons (18.1 percent) naming the administration. It was confirmed that of the respondents who named the administration, many included Chongwadae. In the previous survey, 54.3 percent cited party leadership and 27.8 percent media.

As politicians exposed to public scrutiny, it is quite natural that assemblymen are sensitive to media. Hence, the joke that "assemblymen and reporters are the kings in the assembly hall."

Only two reporters picked constituents and public organizations as the major influence on the National Assembly. (One reporter made no response.) The survey found that there are virtually no other major influences affecting assemblymen. This is viewed as meaning that the authority and status of the assemblyman is that high.

Currently, political parties represented in the National Assembly are the DLP, DP, UPP, the New Korea Party

and the Sinjong Party. The reporters were asked which party they think has been most effective in the bargaining in the 14th National Assembly. The result: 72.2 percent (52 persons) picked the DP and 20.8 percent (15 persons) the DLP, while two cited the independents but not a single reporter paid attention to the UPP, the Sinjong Party or the New Korea Party. Meanwhile, three reporters wrote in a separate pick, "I see no party befitting this category."

To evaluate the National Assembly and individual assemblymen is not an easy task. It requires comprehensive analyses of all remarks in the parliament by the assemblyman, his legislative and social activities, as well as the role he plays inside his party. Needless to say, the work requires fairly high levels of professional knowledge. Also, for the fairest possible ratings, it is necessary to consider evaluations by related people, too.

Before this type of full-scale evaluations are attempted, we have shown you the appraisals by the reporters assigned to the coverage of the National Assembly, political parties and individual assemblymen. Needless to say, their evaluations are of undeniable importance.

As we said earlier, they cover political developments live and therefore are considered fit for the task. Therein lies the significance of this survey, we believe.

Anyhow, it is expected that the full-scale evaluations of the 14th National Assembly will be carried out in late 1995 in advance of the 1996 general election for the 15th National Assembly. What we have presented are a kind of interim evaluations. The results so far seem to point to a mixture of potential hopes and disappointments. Our parliament and its members undoubtedly have their problems but it is also true that there is an effort under way for a rebirth and that we have fine assemblymen with gifts, capabilities and excellent political records. For all this, we feel that we can pin our hopes on the 14th National Assembly.

Moreover, along with the foregone conclusion that to have a National Assembly is better than having none, there is the national consensus that our legislature should develop further in the future. For this fact, too, we can attach our hopes to the future of the 14th National Assembly.

Brunei, Malaysia & Singapore

Malaysia

Minister Welcomes Report on Tokyo, EAEC

*OW0601082494 Tokyo KYODO in English 0802 GMT
6 Jan 94*

[Text] Kuala Lumpur, Jan. 6 KYODO—Malaysia hopes a report that Japan has decided to back the proposed East Asia Economic Caucus (EAEC) is accurate since Tokyo's participation will augur well for the region's economic development, a top official said Thursday [6 January].

"It means Japan is at last fully convinced that not only is it geographically right in the midst of East Asia, but it belongs to East Asia," said International Trade and Industry Minister Rafidah Aziz.

"It's good if the report is true that Japan has now decided to recognize the EAEC," she said, commenting on a report Wednesday in a Japanese daily that quoted government sources as saying that Tokyo has reversed its cautious EAEC stance.

The ASAHI SHIMBUN report said the new position hopes to create a "diplomatic balance" in the Pacific region following implementation of the North American Free Trade Agreement (NAFTA) among the United States, Canada and Mexico at the weekend, and to curb U.S. dominance in the 17-member Asia-Pacific Economic Cooperation (APEC) forum which held its first summit in Seattle in November.

The news report was carried on the front pages of all major Malaysian newspapers Thursday. The Japanese Foreign Ministry declined to comment on it.

Rafidah added that Japan joining the EAEC should not detract Tokyo's network with groupings in other parts of the world. [sentence as received]

The six-member Association of Southeast Asian Nations (ASEAN) hopes to lure Japan, South Korea, China, Hong Kong and Taiwan into forming the EAEC hopefully by this year, but only China has so far publicly welcomed the grouping. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Japan and South Korea have been noncommittal over their participation after the previous U.S. Administration of President George Bush strongly opposed the exclusive Asian grouping, saying it is a potential trading bloc.

Malaysian Prime Minister Mahathir Mohamed proposed the EAEC in late 1990 when the recently concluded Uruguay Round of talks to free the global trading system was bogged down mainly by disputes between the U.S. and the European Community.

The ASAHI report said the conclusion of the talks allows Japan to reverse its stance on the EAEC which it feared would have hampered the round that was held under the General Agreement of Tariffs and Trade (GATT).

It added the change was also due to Japan's concern that NAFTA is evolving into an exclusive bloc, especially since president Bill Clinton used the threat of Japan edging out the U.S. in Mexico to garner support for NAFTA from the U.S. Congress.

Mahathir, Delegation To Visit Manila 3 Feb

*BK0601134194 Kuala Lumpur Radio Malaysia
Network in Malay 1300 GMT 6 Jan 94*

[Text] Prime Minister Datuk Sri Dr Mahathir will make a three-day official visit to the Philippines beginning 3 February. The visit is at the invitation of President Fidel Ramos.

The prime minister will be accompanied by his wife, Datuk Sri Datin Paduka Dr. Siti Hasmah, several cabinet ministers, senior government officials and local businessmen.

The Foreign Ministry made this announcement today.

During the visit, the prime minister will hold talks with President Ramos on bilateral, regional and international issues. The cabinet ministers, who will be accompanying him, will hold talks with their Filipino counterparts.

While in the Philippines, the prime minister and the delegation will also visit the metropolitan areas, Subic Bay, Baguio City and Davao.

General To Command UN Somalia Peacekeepers

*BK0601084894 Kuala Lumpur BERNAMA in English
0705 GMT 6 Jan 94*

[Text] Kuala Lumpur, Jan 6 (OANA/BERNAMA)—Malaysia's Army Field Command Headquarters Chief, Lt Gen Datuk Aboo Samah Aboo Bakar has been appointed commander of the United Nations operations in Somalia (UNOSOM II). The appointment will be effective on Jan 20.

Defence Minister Najib Tun Razak said that the United Nations and the other military forces under UNOSOM II had agreed to the appointment of Aboo Samah to succeed Lt Gen Cervik Bir, of Turkey, on expiry of his term of service. This is the first time a Malaysian has been given the honour to lead the UN contingents in an international peace-keeping mission, he told a press conference at the Ministry of Defence here Thursday. He said that Aboo Samah would leave for the Somalian capital of Mogadishu on Jan 12 before reporting for duty at the UN headquarters in New York on Jan 20 when he would officially assume his duties on receiving his letter of appointment.

Singapore

Manufactured Exports Rise 12.4 Percent in Nov

BK0601115994 Singapore BUSINESS TIMES in English 6 Jan 94 p 1

[By Schutz Lee]

[Text] Singapore—Singapore's manufactured exports returned to double-digit growth of 12.4 percent in volume terms in November after a 9.8 percent increase in October.

Figures released by the Trade and Development Board yesterday led private sector economists to concede that non-oil domestic exports in the fourth quarter will be stronger than they had originally expected.

This is particularly true in the light of official gross domestic product growth forecast of 9.8 percent for 1993, which means a 12 percent GDP growth in the fourth quarter.

While the financial services sector is likely to account for a large part of GDP growth, economists believe the export and manufacturing sectors must also have done well in the fourth quarter.

In the beginning of last year, many of them said non-oil domestic exports would moderate from the second half of the year due to the high base in the same period of 1992. However, that did not materialize.

Except for October, non-oil domestic exports continued to show double-digit growth well into 1993.

Non-oil domestic exports are the most watched export indicator for Singapore because they point to the health of the local manufacturing sector.

Economists told BT [Business Times] that the recovery in the OECD (Organization for Economic Cooperation and Development) countries, particularly the U.S., had underpinned the strength of Singapore's manufactured exports, and growth this year will continue to be U.S.-led.

Nevertheless, non-oil domestic exports to the U.S. in November came against the high base the year before, and grew by only 1.6 percent.

Similarly, exports to the EC, which led the export boom in late 1992, contracted by 0.1 percent in November.

Ray Farris, economist with Crosby Securities, cautioned against interpreting the U.S. and EC markets as being "dead". "Part of the OECD restructuring has led to the relocation of a lot of industries. So Singapore may be supplying disk drives, semiconductors and peripherals to Hong Kong and Taiwan, which are then ultimately used in the U.S. and EC," he said.

In November, exports to Hong Kong and Taiwan grew by 20.7 percent and 30.3 percent in volume terms

respectively. Non-oil domestic exports to these second-tier markets have had some of the best showings last year.

Overall, non-oil domestic exports grew in November due to the increased demand for integrated circuits, disk drives, microcomputers, printers, computer parts and peripherals as well as picture tubes for colour TVs.

On the other trade fronts, the volume of domestic oil exports rose by 19.3 percent, but falling prices kept the rise in the value of oil exports at just 2.4 percent.

Total trade volume rose by 11.4 percent, while the value of total trade grew by 11.2 percent to \$22 billion [Singapore currency]. The trade deficit narrowed to \$1.1 billion.

Government Lifts Restrictions on Magazine

BK0501142894 Singapore Singapore Broadcasting Corporation in English 1400 GMT 5 Jan 94

[Text] The curbs on the circulation of THE ECONOMIST magazine will be lifted from the 15th of this month when it is degazetted as a declared foreign newspaper. The magazine was gazetted in August last year for refusing to print a reply from the government. The reply was sent by Singapore's high commissioner in London to rebut a letter which Mr. J.B. Jeyaretnam [former opposition MP] wrote to the magazine about his 1986 criminal conviction. At the time of gazetting, THE ECONOMIST had a circulation of 7,500 copies here. The government had then said it would reduce the circulation progressively. A statement from the Ministry of Information and the Arts said with the degazetting, THE ECONOMIST will not need to appoint an authorized distributor. It will also not be required to have all its copies marked with stickers.

Philippines

Tariff Cuts Ordered on AFTA Product Groups

BK0601072994 Manila MANILA STANDARD in English 30 Dec 93 p 13

[By Marichu A. Villanueva]

[Text] President Ramos has issued four executive orders [EO] that will implement the Philippine program of reducing tariff rates of 15 groups of products effective January 1994 in compliance with the ASEAN Free Trade Area (AFTA).

The president issued EO 145 up to 148 which he signed on Monday, 27 December—all of which will take effect 1 January 1994 except EO 148, which takes effect 30 days after publication of the directive in two newspapers of general circulation.

For this purpose, the president approved the modified rates of duty as provided for under the Tariff and Customs Code of 1978, as amended, to implement the

1994 Philippine schedule of tariff reductions on the 15 articles included in the accelerated and normal programs of the Common Effective Preferential Tariff (CEPT) scheme for the AFTA.

The 15 groups of products included in the CEPT scheme for accelerated tariff reductions are: vegetable oils, cement, chemicals, pharmaceuticals, fertilizers, plastics, rubber products, leather products, pulp, textiles, ceramics and glass products, gems and jewelry, copper cathodes, electronics, and, wooden and rattan furnitures.

In EO 145, the president said that the six member states of the Association of Southeast Asian Nations (ASEAN) have agreed that there is a need to remove tariff and non-tariff barriers that only serve to impede intra-ASEAN trade. The six member countries of the ASEAN includes the Philippines, Indonesia, Malaysia, Brunei, Singapore, and Thailand. The ASEAN member countries have agreed to improve the existing Preferential Trading Arrangements (PTA) in this regard.

To boost economic cooperation and intra-ASEAN trading, the ASEAN member countries have agreed to do this through the CEPT scheme which set a time frame of 15 years beginning January 1993 to reduce tariff rates from zero to five percent.

EO 145 says that products identified by the Philippines for accelerated rate reduction under the CEPT scheme for the AFTA, tariff rates (MFN/PTA) [expansion unknown] of 20 percent or below shall be reduced to five percent and zero by 1 Jan 2000, while tariff rates (MFN/PTA) above 20 percent shall be reduced to five percent and zero by 1 January 2003.

For products identified by the Philippines for "normal rate reduction," the tariff reduction to five percent and zero shall be done in two stages, namely:

- For products with existing tariff rates (MFN/PTA) of 20 percent or below, tariffs shall be reduced to five percent and zero through a seven-year program starting 1 January 1996 up to 1 January 2003; and,
- For products with existing tariff rates (MFN/PTA) above 20 percent, tariffs shall be reduced to 20 percent by 1 January 2001. The subsequent reduction of tariff rates from 20 percent to five percent and zero shall be done within seven years, with the minimum rate of reduction set at five percentage points every two years starting 1 January 2004 up to 1 January 2008.

EO 146 amends EO 43, series of 1992 by modifying the margins of preference (MOP) and the applicable ASEAN Preferential Tariffs on certain items included in the coverage in the Philippine Exclusion List. In EO 43, the rates of duty of certain imported articles as provided for under the Tariff and Customs Code of the Philippines of 1978, as amended, provided a minimum level of 25 percent MOPs in certain items in the exclusion list.

EO 147 modifies the rates of duty on certain imported articles as provided for in the Tariff Code to implement

the 10 percent (MOP) granted by the Philippines under the agreement on the Global System of Trade Preferences (GSTP) among developing countries as set forth in the Philippine schedule of concessions.

The agreement on the GSTP was ratified by the Philippine Senate on 2 September 1991 but the government has yet to implement this international trade pact it inked with 47 other developing countries.

EO 148, modifies the rates of duty on certain imported articles as provided for under Presidential Decree 1464, as amended, otherwise known as the Tariff Code of 1978.

Under the country's 1987 Constitution, the president is empowered to amend tariff rates in case Congress is not in session. Congress adjourned for the Christmas holidays and will not resume sessions until next month.

In the case of cane or best sugar and chemically pure sucrose in solid form, including raw sugar, not containing added flavoring or coloring matter, the existing duty rate of 70 percent was reduced to 60 percent effective 1 July 1994 and down farther to 50 percent by 1 July 1995.

Prawn feeds remained at 20 percent import duty, as well as gelatin, pharmaceutical grade and closed sterile water system for inhalation, both at 10 percent. Unassembled starter motors will remain at three percent.

Vulcanized rubber thread and cord will remain at the present 30 percent duty rate until July 1994 but will be reduced to 20 percent by 1995.

Pile fabrics of 100 percent polyester staple fibers used in the manufacture of paint rollers measuring 2-1/2 to 3 inches in width will be reduced to 10 percent.

Ramos Moves To Streamline Bureaucracy

*BK0601120394 Manila BUSINESS WORLD in English
30 Dec 93 p 12*

[By Rachel E. Khan]

[Text] President Ramos yesterday moved to streamline the bureaucracy by transferring 15 agencies and corporations under government departments.

Following the cabinet workshop last Tuesday, the president issued Executive Order No. 149, calling for the transfer of regular agencies to mother departments for "better policy and program coordination and integration and administrative supervision." Moreover, he directed the affected agencies to prepare within two months a Function, Rationalization and Integration Program (FRIP) which will be assessed by the budget and management secretary, who will in turn make a full report and recommendation to the president.

Moreover, Mr. Ramos said that the FRIP should include the streamlining and rationalization of the agency's

functions, programs, and activities; the policy integration and rationalization plan for the departments affected by the transfer, and, the significant refocusing, abolition, scaling down or phasing out of functions, programs and activities, and the corresponding shifts in structure and resource allocation.

The following agencies have been affected:

- the National Statistical Coordination Board, to the National Economic and Development Authority [NEDA];
- the Commission on Filipino Language, to the Department of Education, Culture and Sports;
- the Philippine Center Management Board, to the Department of Foreign Affairs;
- the National Statistics Office to NEDA; and,
- the Statistical Research and Training Center to NEDA.

Government-owned and controlled corporations transferred to government departments include:

- the Philippine Deposit Insurance Corporation, to the Department of Finance;
- the Laguna Lake Development Authority, to the Department of Environment and Natural Resources; and,
- the Philippine Center for Economic Development, to the University of the Philippines System.

On another note, the chief executive likewise ordered the transfer of six agencies set to be abolished to departments for the time being. These are:

- the Economic Support Fund Secretariat, to the Department of Public Works and Highways;
- the Board of Liquidators, to the National Development Corporation;
- the Development Coordinating Council for Leyte and Samar and the Kalinga Special Development Authority, to the Department of National Defense;
- the Sequestered Assets Disposition Authority, to the Presidential Commission on Good Government;
- the Philippine Human Resources Development Center, to the Presidential Management Staff; and,
- the Philippine Gamefowl Commission, to the Games and Amusements Board.

Government Approves Infrastructure, Social Works

BK0601100794 Manila BUSINESS WORLD in English 30 Dec 93 pp 1, 5

[By Ramoncito P. De La Cruz]

[Text] A total of 353 critical public infrastructure and social services projects, with an aggregate cost of P67.771 billion [Philippine pesos], has been approved by the Ramos Cabinet the other day to form part of the Core Public Investment Program (CPIP) next year, the

National Economic and Development Authority (NEDA) announced yesterday.

Out of the total, only P23.008 billion will be shouldered by the national government as most of the projects will be funded either by international financial institutions or through internal cash generation resources of government-owned and controlled corporations [GOCCs].

In real budgetary terms, government will shell out P21.212 billion in local counterpart funds and subsidies to government corporations and the GOCCs will give P1.796 billion through their incomes.

Based on the aide-memoire submitted to the President, the CPIP projects will be "spared from any budget cuts even if government's fiscal position worsens during the year," with the end view of "restoring government's effectiveness in implementing critical projects."

Based on the approved list of core investments, agro-industrial development projects accounted for 55 projects amounting to P1.861 billion; human development sector, 64 projects costing P4.906 billion; infrastructure support sector, 222 projects worth P60.842 billion; development administration, five projects worth P12.896 million; and disaster mitigation projects, six projects worth P149.156 million.

Among the selected projects, 188 are included under Category A, which is composed of ongoing and new foreign-assisted projects such as capital activities in basic education, water supply, health, nutrition, family planning, and, housing; 128 fall under Category B, which is composed of energy-related projects; and, 37 projects fall under Category C, which are locally funded.

Based on the CPIP concept, the agencies concerned are tasked to immediately prepare their work and financial plans for the projects, which will be the basis for the budget releases to be made by the Department of Budget and Management [DBM].

"One unwritten rule which was adopted by the DBM is the 30 percent-30 percent-20 percent-20 percent quarterly budget release pattern for the CPIP projects," a NEDA official said. "Effectively, the projects will receive 60 percent of their share in the first half of the year."

A performance contract will be drawn up between the agencies and President Ramos for closer monitoring of these projects.

Communist Request for Preliminary Talks Accepted

BK0601101394 Manila THE MANILA CHRONICLE in English 30 Dec 93 p 2

[By Manny Mogato]

[Text] The government has accepted the request of exiled communist leader Luis Jalandoni for a preliminary meeting before the second round of exploratory peace talks are held in Vietnam next year.

Howard Dee, former ambassador to the Vatican and chief government peace negotiator with the communist rebels, said the acceptance of Jalandoni's request removed a stumbling block in the talks.

Dee, however, did not say when and where the meeting could take place.

He said the government's panel position was that the issue be included in the talks in Hanoi the capital of Vietnam.

The National Democratic Front (NDF), political arm of the Communist Party of the Philippines (CPP), has set a number of preconditions before it could sit down for talks in Vietnam.

Among these are the release of 300 political prisoners and the government's insistence that the negotiation be conducted under the framework of the Philippine Constitution.

The second precondition has proved the most difficult to overcome.

However, Dee said that the preliminary meeting could still proceed by taking up issues such as the ground rules for substantive talks, safety and immunity guarantees for peace representatives, and all other technical arrangements.

Dee also reminded Jalandoni that when they signed The Hague Declaration in September 1992, they agreed that "no precondition shall be made to negate the inherent character and purpose of the peace negotiations."

"With the onset of the New Year, and the hope it brings, we urge Mr. Jalandoni to come to the negotiating table to implement The Hague Declaration so that together we may give peace a chance," Dee said.

He said Vietnam has already agreed to host the talks but would not take direct part in it.

Hanoi wanted to adopt Jakarta's position in facilitating only peace talks between the Philippine government and dissident factions, like the Muslim secessionist and communist guerrillas.

The last time government representatives talked with communist leaders in the Netherlands in September last year when the Ramos government first opened its doors for peaceful resolution of the 25-year-old Maoist rebellion.

CPLA Chief Agrees To Return Government Arms

BK0601124594 Manila PHILIPPINE DAILY
INQUIRER in English 31 Dec 93 p 8

[By Rolando Fernandez]

[Text] Baguio City—Former rebel priest Conrado Balweg has agreed to return all firearms issued by the government to the Cordillera People's Liberation Army [CPLA] but he stood firm in his position that any integration of his group in the military or police should be within the law.

Balweg, who heads one faction of the CPLA, held marathon meetings here Wednesday and yesterday with Interior Secretary Rafael Alunan III and military officials in the region.

"I am willing to integrate as long as it is within the context of Executive Order [EO] 220," said Balweg.

EO 220, which was signed by President Aquino in July 1987, created the Cordillera Administrative Region. Among other things, it mandates the creation of a regional security force to help in the defense and security of the region.

Balweg said this provision of the law has not been implemented.

A group that split from Balweg early this year has started training in Camp Aquino in Tarlac for integration in the military as a part of the Civilian Armed Forces Geographical Unit (Cafgu).

The splinter group is headed by lawyer Joel Obar, head of the Cordillera Bodong Administration and Mayor Mailed Molina of Bucloc, Abra.

But Balweg questioned the formation of the group, saying that "it was outside the law and was only creating confusion and disunity in the region."

According to him, of the 303 supposed CPLA men training in Camp Aquino, only 17 are active members.

"Kung may kaguluhan ngayon, ang may kagagawan niyan sila. (If there is confusion now, they should be the ones to blame)," he said.

Balweg agreed to return all firearms issued to his group when it broke away from the New People's Army [NPA] and signed a peace agreement with the Aquino Government at the Mount Data Lodge in Bauko, Mountain Province, on 13 September 1986.

He said he was waiting for the list of CPLA men who were given firearms.

"I told Alunan that they should give me the list so I can help them locate these. Dahil malinaw naman sa akin na hiram 'yan (It's clear to me these firearms were loaned to us)," he said.

Balweg said 50 Armalite rifles were donated to the CPLA by the Aquino Government in 1988 as a commitment to the implementation of EO 220, specifically on the formation of the regional security force.

In 1989 when the NPA intensified its armed attacks against the CPLA, Balweg requested for additional 200 Armalite rifles. But he said when the 200 firearms were delivered, only 100 were individually given to CPLA men in the field. The 100 firearms included M-14 and Garand rifles, he added.

"Ang gusto kong malaman kung 200 o 100 ang naibigay sa CPLA (I want to know if 200 or 100 were given to the CPLA)," Balweg said, adding that he has instructed his men in the field to return all firearms issued by the government.

Balweg earlier threatened to go back to the hills when the government insisted that the CPLA return the firearms loaned to the former rebels.

On the request for his group to vacate the Cordillera House here where he and the Cordillera Bodong Administration hold office, Balweg said Alunan had agreed to allow them to stay. The Cordillera House is across the Mansion House, the presidential summer residence.

MNLF Chief Says Saboteurs Cannot Stop Peace

*BK0601054994 Manila PHILIPPINE DAILY
INQUIRER in English 30 Dec 93 pp 1, 6*

[By Rolly San Juan]

[Text] Moro rebel leader Nur Misuari yesterday denounced the spate of bombings in Davao City and said he will not allow saboteurs to disrupt the peace talks between the government and the Moro National Liberation Front (MNLF).

The government, meanwhile, has agreed to meet representatives of the communist-led National Democratic Front (NDF) before holding the next round of exploratory talks in Vietnam.

Howard Dee, chair of the government peace panel, however, urged the NDF to remove all preconditions for the Vietnam talks, saying these were contrary to The Hague Declaration signed by the two parties last year.

"We...condemn the dastardly act of bombing sacred places, the church and the mosques of Davao City," Misuari said at the resumption of government-MNLF talks in Timbangan town.

Misuari told Bangsa Moro [Moro Nation] supporters he will not allow anybody to sabotage the talks. He said the MNLF units in Davao City were ready to go after the persons responsible for the bombings of the Davao cathedral and mosques.

Also attending the affair were Representative Eduardo Ermita, government peace representatives, and

observers from the Organization of Islamic Conference (OIC) of Six led by Indonesian Ambassador Yusbar Jamil.

The perpetrators of the bombings "...will not succeed, as unity and peace in Mindanao will be achieved and will reign," he said.

Meanwhile, the GRP [government of the Republic of the Philippines]-MNLF "mixed" support committees which convened Tuesday noon named the cities of Zamboanga, Cotabato, Marawi, General Santos and Manila as the next venues for the peace talks.

The schedules are: cease fire committee—5, 6, 7, January, Zamboanga City; defense—10, 11, 12 January, Cotabato City; administration—13, 14, 15 January, Manila; shariah—17, 18, 19 January, Marawi City, and 27, 28, 29 January, General Santos City; economics—20, 21 January, Zamboanga City; and ad hoc—7, 8, 9 February, Zamboanga City.

The "mixed" committees will meet in Zamboanga City, but the dates have not yet been agreed upon.

The ad hoc committee is headed by Interior Undersecretary Alexander Aguirre, with Ermita, Makabankit Lanto, Baltazar Sator and Department of Justice Undersecretary De Castro as members.

Heading the five MNLF committees are Lieutenant General Thambayopha Manjoarsa, defense and security; Dr. Jawali Laja, education; lawyer Jose Lorena, finance, mines and resources; lawyer Didagen Dilangalen, administrative; and Ustadz Shariff Zain Jali, judiciary and shariah.

The OIC was represented in the Timbangan meeting by Ambassador Jamil, Libyan Ambassador Abdulaziz Azzaroukh and Indonesian Consul Colonel Muhammad Zaini.

In a press statement, Dee cited as a "precondition" the rebels' demand for the withdrawal of Executive Order (EO) No. 125, issued by President Ramos on 15 September 1993.

NDF peace representative Luis Jalandoni has said the order threw "a monkey wrench into the peace process" and accused the government of imposing the Philippine Constitution as framework for the peace negotiations.

Jalandoni, in a statement issued in Utrecht, the Netherlands in October threatened to pull out from the Vietnam talks if the government did not recall the executive order.

Dee said the order "defines the approach and administrative structure for the government's comprehensive peace efforts and...clothes the government panel with its authority to negotiate peace settlement."

He said it is the government's responsibility to follow the "Rule of law and Constitutional processes" in pursuing a "just and comprehensive and lasting peace."

Instead, Dee said, Jalandoni "takes issue with the reference in EO 125 and insists on resolving this issue even before the holding of the exploratory talks in Vietnam.

"Any disagreement on this issue should be elevated for discussion on the Vietnam exploratory talks as these talks are intended precisely to reach common understanding for us to proceed to the formal talks," he said.

Dee said that without the "preconditions," the preliminary meeting can take place to prepare the agenda and ground rules for the exploratory talks."

The former ambassador to the Vatican also urged Jalandoni to "come to the negotiations table to implement The Hague Declaration so that together we may give peace a chance."

"Our people deserve nothing less."

Official: Issues To Be Resolved With MNLF by Mar

BK0601020094 Manila *THE MANILA CHRONICLE* in English 30 Dec 93 p 2

[By Danny Agoncillo]

[Text] The government peace panel is trying to resolve five key issues with representatives of the secessionist Moro National Liberation Front (MNLF) in a bid to clear the way for the resumption of formal peace talks in Jakarta in March, a top official of the Department of Interior and Local Governments (DILG) said yesterday.

Alexander Aguirre, DILG undersecretary for peace and order and a member of the panel, told the *CHRONICLE* the issues to be resolved by the technical and ad hoc working committees of both panels between now and the second week of February were: Muslim representation in government, defense, administrative systems, economic and financial systems, and education.

Aguirre said the issues were raised during a five-hour meeting between the two committees at the MNLF headquarters in Barangay [village] Timbangan, Indanan, Sulu last Tuesday.

In that meeting, Yusbar Jamil, the Indonesian Embassy's Councilor-Minister, and Indonesian Ambassador Rajab Azzarouo [as published], acted as moderators. Batangas Representative Eduardo Ermita, vice chairman of the government panel, headed the government's group of technical committees while MNLF Chairman Nur Misuari himself was Ermita's counterpart.

Aguirre said the technical committees of both panels would be holding a series of meetings in Manila, Zamboanga City and Cotabato City to hammer out a common stand on the issues.

The technical committees' output will then be submitted for review and final approval by the government and MNLF peace panels after the second week of February, in time for the resumption of formal talks in March.

"The peace process is on course and there are positive indications that true reconciliation will be achieved," Aguirre said, adding that the recent meeting in Sulu was "cordial and conciliatory."

The undersecretary also said there was a need for both panels to reconcile differing views on autonomy, which though granted under the Constitution, was interpreted differently by both sides.

MNLF To Protect Government Panel in Talks

BK0601014894 Manila *MANILA BULLETIN* in English 30 Dec 93 p b-6

[By N. Lacson]

[Text] Jolo, Sulu—The joint national government-Moro National Liberation Front (MNLF) cease fire committee decided that MNLF gives security to the government panel during the peace talks in Timbangan, Indanan, Sulu.

MNLF chairman Nur Misuari had earlier requested the town of Indanan be made the next venue of the talks by the mixed committees. The MNLF controls the town of Indanan. There are no military men seen in the town.

Brig. Gen. Guillermo Ruiz, chairman of the joint national government-MNLF cease fire committee, said that the government will allow only 15 security escorts for the government panel for the duration of the talks. He said that the rest of the military forces in Mindanao will be alerted on stand-by basis.

Ruiz also said that the MNLF has agreed to keep its forces at least one kilometer away from the conference site. However, he said, the MNLF will allow the members to get closer to the conference site on condition that they do not carry firearms.

Meanwhile, the joint cease fire committee had also agreed in principle to hold its next meeting in Zamboanga City on 5 January next year.

The meeting will finalize the ground rules and guidelines for the immediate implementation of the cease fire agreement in Mindanao.

The committee will establish a cease fire monitoring station in Zamboanga City after both parties agree on the ground rules for the cease fire.

A similar monitoring station will be established in 13 provinces in Mindanao.

Columnist on Fundamentalist Threat in Mindanao

*BK0601071994 Manila THE MANILA CHRONICLE
in English 30 Dec 93 p 4*

[From the "On the level" column by Alex Magno: "The Resurgence of Communal Conflict"]

[Text] The bizarre bombings of the Davao Cathedral and two mosques in the same city do not threaten the rapidly progressing peace process between government and the MNLF [Moro National Liberation Front]. What these acts of terror threaten is the existing communal peace between Muslim and Christian communities in Mindanao.

The peace process is moving on its own momentum. It is unlikely to be seriously disturbed by random terrorism.

MNLF spokesmen have come out immediately to pronounce the peace process safe. Misuari's movement has nothing to gain and everything to lose if the bombings precipitate an atmosphere of communal conflict.

Secessionism has lost the luster it once enjoyed. By maintaining a hardline position for too long, the MNLF has been marginalized in the politics of Muslim Mindanao. Rival tribal leaders have stolen much of Misuari's former clout. The movement he leads has been excluded from the new framework of factional political positioning in the south—the autonomous government.

The MNLF leadership wants desperately to move closer to the mainstream. The movement seeks to recover the constituencies it once enjoyed when it promised prosperity through nationhood to the impoverished Muslim masses. It can begin to move out of the political doldrums only if it helps push the peace process forward.

Misuari understands that. His supporters among the Tausog elite, elbowed aside in the struggle for influence over the autonomous government, understand that. But not all of the mass base of the obsolete secessionist movement grasp the necessity for systematically terminating the armed struggle to the satisfaction of all.

A new virus has entered the already chaotic politics of the Islamic communities of the south. That virus is militant Islamic fundamentalism.

Fundamentalism appropriated the romance that was earlier vested in secessionism. In its more moderate mode, this creeping fundamentalism has been expressed in the emergence of the Moro Islamic Liberation Front (MILF)—rival to the MNLF.

The MILF has a more pronounced Islamic identity, distinguishing it from the distastefully secular MNLF program. Although controlled by the traditional aristocratic elites of the Maguindanao and Maranao communities, it has positioned itself as the expression of Moro self-assertion in an increasingly uncertain and fluid reality. But even the MILF cannot absorb the more militant variants of Islamic fundamentalism. Because of

this, more militant minor sects have emerged, such as the notorious Abu Sayaf group.

The more militant fundamentalist armed bands touch a dangerous chord among disenchanted young Muslims. They raise the new encroachment of Christian migrants into Muslim land as the source of misery for the Moros. They vow to rid the Moros of that encroachments.

While the MNLF wallowed in the political doldrums, the more militant fundamentalist bands captured the imagination of the discontented in a series of bold and violent acts. Among these are the kidnappings of foreign missionaries. Note that one of the demands put forward by the kidnappers of Charles Walton, was the expulsion of all foreign (Christian) missionaries from Mindanao.

For too long, however, the MNLF failed to clarify its own position against these rabid bands. They sheltered fundamentalist armed groups in their territories. They dealt with them with a fraternal soft glove. In the meantime, government forces were hesitant to deal forcefully with these bands for fear of damaging the peace process.

Now the problem has blossomed to such an extent that the possibility of Muslim-Christian hostilities could not be discounted. Recall that during the kidnapping of Spanish priest Bernardo Blanco, Christians in Basilan offered to set up vigilante bands. That could repeat itself in Davao.

If the situation worsens, government could find itself having to deal with a re-run of the violence between the "barracudas [Muslim group]" and the "ilagas [rats-Christian group]" that happened during the late '60s and early '70s. That insane cycle of violence was a prelude to full-scale war.

Should tensions escalate and communities find themselves having to defend themselves with arms, the dance of peace between government and the MNLF will be rendered academic. There will be too many combatants in the fray to allow for predictability.

The situation should have been nipped in the bud when the Basilan kidnappings began happening. Now the unhealthy situation is on the verge of bloom. The MNLF must do something more than issue press statements—or else continue abetting the problem.

Thailand

NSC Chief Comments on Cambodian 'Factions'

BK0601095994 Bangkok Radio Thailand Network in Thai 0000 GMT 6 Jan 94

[Text] A meeting of the committee in charge of national intelligence policy was held at Government House yesterday. It was attended by representatives from the military, Interior, Foreign, Finance, and Commerce Ministries, the governor of the Bank of Thailand, and

director of the National Intelligence Agency. Prime Minister Chuan Likphai presided over the meeting.

General Charan Kunlawanit, secretary general of the National Security Council [NSC], said in an interview at Government House after the meeting that there was a review of the country's security from the political, economic, scientific, and environmental points of view, both domestically and externally. The meeting studied guidelines on improving intelligence gathering and making the organization more effective in serving national interests.

The NSC secretary general said the situation around the country is not a security threat at present. Anyway, fighting along the border near Burma and Cambodia could affect the safety of the people there. On Cambodia, he said the continued fighting there showed that efforts by several countries to help Cambodia achieve peace did not work, and that there were still conflicts between factions in Cambodia. He said it is necessary to try to achieve a sense of unity for the Cambodian people. He believed the fighting would go on until the two Cambodian factions realize that the fighting does not contribute to the nation. Then, the Cambodian Government and the Khmer Rouge would agree to compromise over a fair share of benefits for the sake of national development.

Military Asks Cambodian Cease-Fire for Harvests
BK0601015394 Bangkok BANGKOK POST in English
6 Jan 94 p 6

[Text] Cambodian government and Khmer Rouge forces have agreed to a two-day ceasefire at the request of the Thai military in order to allow Thai farmers to harvest their rice crops and remove rice stocks to safety.

Informed sources said the ceasefire request was made by the Thai-Cambodian Border Coordinating Office to the two warring factions.

The ceasefire, which took effect yesterday, was observed by the two rival factions permitting farmers of Tambon Tha Kham and Tambon Klong Namsai to harvest rice crops and move out rice stocks from Nong Ian, a small piece of Thai territory which juts into Cambodia. Several artillery and mortar shells as well as rockets fired by both the Cambodian Government and Khmer Rouge have smashed into Nong Ian, which is uninhabited [as published] since fighting broke out a week ago.

One Thai villager was recently killed by shrapnel from a stray shell.

A Border Patrol unit yesterday went into Nong Ian where they found two unexploded shells which were eventually detonated.

Quoting Thai traders who travelled into Cambodia, informed sources said the two warring factions had taken advantage of the ceasefire to regroup and beef up their forces.

Trucks carrying supplies and troops were seen rumbling on highways in Ban Nimit and Battambang.

General: 'No Effect' From Burmese-MTA Fight
BK0601013594 Bangkok BANGKOK POST in English
6 Jan 94 p 2

[Text] Fighting between rival forces of Rangoon government troops and minority rebel forces of Khun Sa would have no effect on Thai people living along the Thai-Burmese border according to Third Army Corps commander Panthep Phuwanatnuluk.

He gave his personal assurance that army rangers positioned in Mae Ai of Chiang Mai and Mae Chan of Chiang Rai would be ready to provide protection to the villagers if fighting spills into Thailand.

Lt-Gen Panthep yesterday inspected the preparation of rangers and listened to a briefing about the general situation at the Ban Rak Thai border base in Mae Chan District.

An official report said some 3,000 Mong Thai Army (MTA) soldiers of warlord Khun Sa based in Mong Kan opposite Mae Chan District are facing some 4,500 troops of the United Wa State Army (UWSA) near Doi Lang opposite Mae Ai District.

Fighting might erupt at any moment because the MTA wants to seize some parts of Mong Yon which is under the influence of the UWSA, the report said.

The report also said that several battalions of Burmese government soldiers heading for Mong Kan have stopped their advance because they believe that the MTA might attack Tachilek township opposite Mae Sai District.

Embassy in Morocco To Be Gateway to EC, Africa

BK0601022994 Bangkok THE NATION in English
6 Jan 94 p A4

[Text] Thailand will soon open its first embassy in the North Africa region in Rabat, the capital of Morocco.

"Now that the European Community has formed the single market, Thailand considers Morocco as the gateway to the EC market," the new Ambassador Narong Khemayothin said.

"It will also be the springboard to African countries," he told reporters yesterday.

Morocco and Thailand established diplomatic ties in 1985. Narong said establishing the embassy in Rabat would help tighten bilateral relations and later help to increase economic cooperation. Thailand currently has a trade surplus with the North African kingdom. In 1992, Morocco bought Bt [baht] 213 million worth of Thai rubber, textiles, equipment parts and thread for fishing

nets, while its exports of canned fish and anchovy, as well as cotton, to Thailand was valued at Bt79 million.

"The trade value is not yet high but we see Morocco as a potential production base for fisheries, textiles, as well as tourism," the ambassador said. He said Thai investors should consider investing in Morocco as there was little foreign investment there now.

"There will not be fierce competition as there was only US\$500 million worth of foreign investment in Morocco in 1992," he said. Most of that came from Spain, South Korea and China.

According to Narong, Morocco has an unlimited quota for its textiles from the EU [European Union] market, which could benefit Thai businesses if their products were manufactured there.

Narong said the embassy was expected to be operating next month as soon as Deputy Foreign Minister Surin Phitsuwan is available to officially host the opening ceremony.

Deputy Minister Confirms Lao Water Sale Offer

*BK0601014394 Bangkok BANGKOK POST in English
6 Jan 94 p 6*

[Text] Laos has offered to sell Thailand water from rivers linked to the Mekong River, according to Deputy Transport and Communications Minister Charat Phuachuai.

Mr Charat said the offer had been confirmed during his visit to Vientiane about three weeks ago by Laotian PM's [Prime Minister's] Office Minister Phao Bounnaphon and the deputy labour and foreign ministers.

Concrete pipes could be built to carry the water from rivers across the Mekong River to northern and north-eastern river networks in Thailand, he said.

Each pipe will cost about 1,000 million baht and could be completed within two years at a length of over 1,000 metres.

The 1,000-million-baht cost excludes funding for technology to raise the water so it flows into Thailand to solve the drought problem, he said.

Mr Charat said the project would be easier than taking water direct from the Mekong River as this would require permission from Cambodia and Vietnam.

The deputy minister cited possible routes for the waterways:

- From the Tha River to the Ing River in Chiang Khong District, Chiang Rai Province which links with the Nan River in Uttaradit Province;
- From the Ngum and Paksan rivers to the branches of the Chi River in either Loei or Nong Khai provinces;

—From the Ngum River to the source of the Phasak River in Phetchabun Province (according to Mr Charat, the Phasak River could feed the water network for the Central Plains)

—From the Thoen River to a branch of the Mun River in Nakhon Phanom Province, and

—From the Se River to the Mun River in Ubon Ratchathani Province.

If the proposal is supported by the Thai Government, Laos has agreed to sell the water to Thailand at a per cubic metre rate, he said.

Mr Charat said the drought is a problem needing urgent action and Laos wants money to implement projects to develop the country.

Agreement Signed To Export Rice to Japan

*BK0601021194 Bangkok BANGKOK POST in English
6 Jan 94 p 24*

[Excerpt] A group of Thai rice exporters has agreed to sell 50,000 tons of fragrant rice and 197,000 tons of 100 percent white B grade rice to Japan. Delivery will be immediate.

A Rice Exporters' Association source said the price of fragrant rice was about US\$530 a ton and 100 percent white B grade rice was US\$450 a ton. After the sales agreement was signed on Monday the local price of fragrant rice increased by about 20 baht a picul (60 kilos) to reach 720 baht yesterday.

The price had risen since a rumour began that Japan would buy fragrant rice from Thailand after earlier buying 263,000 tons of 100 percent white grade B rice or glutinous rice.

The total bought from Thailand by Japan will be 417,000 tons of 100 percent white B grade rice, 43,000 tons of glutinous rice and 50,000 tons of fragrant rice. [passage omitted]

Chawalit Views Panel Rejection of Police Chief

*BK0601021994 Bangkok THE NATION in English
6 Jan 94 p A1*

[Excerpt] The Police Commission yesterday rejected Interior Minister Chawalit Yongchaiyut's nomination of Pol Gen [Police General] Prathin Santipraphop as the new police director general, a move that will intensify the power struggle between the minister and the police officers' governing body.

Proponents of the plan to restructure the Police Commission said the rejection underlined the need to curb the power of active and retired police officers on the panel and bring the police force under the interior minister's control.

"I have done my best. I tried to make members of the Police Commission understand. The Police Department has suffered enough. Everybody should be working

together instead of causing more confusion," Gen Chawalit said after the commission meeting.

Chawalit said the commission had ignored his plea for an open discussion and vote to decide the nomination for the top police job. The commission instead chose to vote by secret ballot.

The interior minister acknowledged that the commission was legally empowered to reject the nomination, but said he believed the decision went against public opinion, which wanted a new police chief appointed as soon as possible. He would decide before the month is out whether to resubmit Prathin's name or to make a new nomination to the commission.

Chawalit said he had told Prathin, currently acting police chief, to perform his duty to the best of his ability.

The interior minister said he would definitely push for the restructuring of the Police Commission when the time was right. Current members would be consulted.

Prime Minister Chuan Likphai, speaking to reporters at Government House yesterday evening, described the commission decision as "unusual", but said he believed it would not in any way affect Prathin's authority as acting police chief.

"The interior minister will do whatever he sees fit. He may want to resubmit the nomination when he chooses to," Chuan said. The prime minister also stressed the need to restructure the Police Commission to achieve a balance of power between the interior minister and the police governing body, but only after current problems at the Police Department had been resolved.

Prathin told reporters after meeting Chawalit yesterday afternoon that he had anticipated the commission would reject his appointment.

"The Police Commission decided not to approve my nomination. That's okay with me. I'm not disheartened. I had expected this," the acting police chief said. "I will carry on with my duty as long as I receive assignments from Gen Chawalit."

He said the commission had not bothered to give any reasons why he should not be appointed director general.

Later in the evening, after meeting the prime minister at Government House, Prathin said he may have to serve as acting police chief until his retirement in September this year.

"I have the feeling that I may have to continue to serve as acting police chief," he said. "As an acting police chief I have the full authority of a police director general." [passage omitted]

Agreement Reached on 8 Charter Amendments

BK0601022594 Bangkok THE NATION in English
6 Jan 94 p A4

[Text] Government and opposition representatives have agreed on eight initial amendments to the Constitution, including reducing the size of the Senate, Chumphon Sinlapa-acha, chairman of the House special committee on constitutional amendments, said yesterday.

However, it was still not clear last night whether the opposition as a whole would support the agreement.

Speaking after a meeting called by Parliament President Marut Bunnak, Chumphon said agreement had been reached in principle on all 25 proposals put forward by his committee.

They agreed that priority should be given to eight amendments:

- To reduce the voting age from 20 to 18.
- To vary the number of MPs in line with the increase in population.
- To reduce the minimum number of candidates a political party must field in general elections to one-fourth of the total number of House of Representatives seats.
- To give House committees more power.
- The leader of the largest opposition party be automatically named opposition leader.
- To allow immediate consideration by the House of motions put forward as a matter of urgency.
- To establish an administration court.
- To reduce the number of senators to one-third of MPs.

"I am pleased that changes to the Constitution will be made," Chumphon said.

Chat Phatthana Party Secretary-General Prachuap Chaiyasan said it was possible to amend the eight points, but he could not give a guarantee. Yesterday's meeting had made progress, but whether the changes would be passed depended on a compromise.

Prachuap also asked the government to call a special House session to deliberate the amendments. Solidarity Party deputy leader Khanin Bunsuwan said changes to the charter were likely as a result of the meeting.

Prime Minister Chuan Likphai said earlier yesterday he was confident of changes to the Constitution, but not all the 25 points.

"I think that the points which are agreed to (by the government and the opposition) could be changed. But it is difficult to amend all 25 points because of different opinions," he said.

The opposition parties on Tuesday resolved that all 25 proposals should be included in a single bill. The government would prefer to initially amend six points. Each side has accused the other of insincerity in pushing for a more democratic constitution.

Chuan claimed that the suggestion to consider all amendments as a single bill had not been agreed to by all opposition members. He said all parties should cooperate on the amendments.

Chuan said separate bills would make the changes easier. If a bill failed to pass through the parliament, legislators could propose another bill, he said.

It would not hurt the government or the opposition if a particular amendment did not materialize. Both camps want changes for a better constitution.

Deputy Prime Minister Bunchu Rotchanasathian said it would be impossible to get agreement on making all 25 changes in one bill. His Phalang Tham Party had resolved to amend about five points of the charter, he said.

He said failure to amend the Constitution would affect Parliament's image, just the government's. Opposition Prachakon Thai leader Samak Suntharawat said the 25 points should be considered as separate bills.

Commerce Minister Reshuffles Duties, Deputies

*BK0601020594 Bangkok BANGKOK POST in English
6 Jan 94 p 17*

[Text] Commerce Minister Uthai Phimchaichon has reshuffled his duties and those of his deputies taking personal charge of the Business Economics and Foreign Trade departments and the Public Warehouse Organisation.

Previously, the Business Economics Department—which handles trade negotiations, research and data compilation—was the responsibility of Deputy Minister Chaloeiphon Sanitwongchai.

Mr Chaloeiphon, who was appointed when Phaithun Kaeothong moved to become deputy labour minister, made no secret of the fact that he was not interested in the Business Economics Department, preferring an agency that has practical activities inside Thailand.

Mr Uthai has given him responsibility for the Insurance Department in a direct swap, dropping the Export Promotion Department and adding the Commercial Registration Department.

Deputy Minister Churin Laksanawisit is taking responsibility for the Export Promotion Department, relinquishing the Commercial Registration Department, while also retaining responsibility for the Intellectual Property Department.

Deputy Commerce Minister Chaiyot Sasomsap will take charge of the Internal Trade Department.

Vietnam

Hanoi on MIA Specialists' First 1994 Search

*BK0601110994 Hanoi Voice of Vietnam in English
1000 GMT 6 Jan 94*

[Text] The United States and Vietnam on Thursday began the first search mission this year for U.S. troops still listed as missing in action [MIA] from the Vietnam War. The first mission will involve 84 U.S. experts in the largest such mission since searches began in 1988.

The commander of the U.S. expert team, Major General Needham said that he was satisfied with the progress obtained during his mission in Vietnam. Mr. Needham did not believe that the Vietnamese Government still keeps the remains.

The commander-in-chief for the U.S. Asia-Pacific Command, Admiral Charles Larson will visit Vietnam from 16 to 19 January for discussions on MIA. Larson is scheduled to meet officials from the American Office of MIA in Hanoi as well as Vietnamese officials and the team of American experts searching for MIA in Southern Vietnam.

The next joint search operation between Americans and Vietnamese, which is to start today in Vietnam, will last three weeks. Other separate operation will begin in Laos on 12 January. Moreover, four U.S. congressional delegations are expected in Vietnam through the end of January whose experts arrived in Hanoi on Saturday.

Official: Better Ties To Depend on U.S.

*BK0601123194 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 6 Jan 94*

[Text] The Foreign Ministry held a new year international news conference this afternoon in Hanoi. Referring to our 1993 foreign affairs activities, Mrs. Ho The Lan, spokeswoman of the Foreign Ministry, said the cooperative relations between Vietnam and other countries have been consolidated by another step through visits by Vietnamese party, state, and National Assembly leaders to countries in Asia and the Pacific, Europe, and Latin America, and the visits to Vietnam by many national leaders including the official visit by French President Francois Mitterrand. Relations between Vietnam and other countries have been upgraded and diplomatic relations have been established with 145 countries.

Vietnam has also made a breakthrough with some international financial organizations. It highly valued the efforts of France and other countries on the settlement of Vietnam's debts.

Regarding the Vietnam-U.S. relations, Mrs. Ho The Lan reviewed the breakthrough in ties. She also clarified Vietnam's clear and unchanged views on this issue. She said further developments will depend on the American side.

Our Foreign Ministry spokeswoman also informed that in 1994, especially in the first quarter, many national leaders and diplomatic and economic delegations will visit Vietnam.

United Kingdom Announces \$90 Million in Aid

*BK0401150594 Hanoi VNA in English 1439 GMT
4 Jan 94*

[Text] Hanoi VNA Jan 4—The United Kingdom has pledged to extend an aid worth USD [U.S. dollars] 90 million to Vietnam. The UK is the second biggest donor after Japan at the recent Paris conference of Vietnam's donors, says a press release made available here today by the British Embassy.

Speaking to this event, British Ambassador to Vietnam Peter Williams remarked that the aid pledge shows his government's regard for the economic performance of the government and people of Vietnam together with the policies of economic renovation over the past few years. He stressed the excellent development of bilateral relations following the highly successful UK visit by Vietnamese Prime Minister Vo Van Kiet last July.

"The substantial international assistance the Vietnam has enlisted in the recent donor conference for Vietnam can help the country move forward to further successes in the future," said the ambassador. It is known that UK is the second biggest donor after only Japan at the said Paris conference.

Peter Williams further said that the international community's strong support to Vietnam stems from their belief in the country's potential for economic development and their positive evaluation of the results of the Vietnamese Government's current economic reforms.

New Border Gate With Laos Inaugurated

*BK0601130294 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 6 Jan 94*

[Text] With the approval of the governments of the Socialist Republic of Vietnam and the Lao People's Democratic Republic, the Quang Tri Province People's Committee and the Savannakhet Province Administrative Committee held an official ceremony on the afternoon of 5 January 1994 to open the international Lao Bao-Ban Den Savan border gate. It is one of our country's international land border gates. Attending the grand opening ceremony were leading officials from the Vietnamese provinces of Quang Tri, Thua Thien-Hue, and Quang Nam-Da Nang, and Savannakhet Province in Laos. Also on hand was the acting Lao consul general in Da Nang.

The upgrade of the Lao Bao-Ban Den Savan border gate to an international border gate comes in response to the aspirations of the two peoples, especially the residents of Quang Tri and Savannakhet Provinces. This move will create many favorable conditions for communication along Highway 9. The new international border gate will

also play an important role in promoting economic development based on the advantages of Highway 9.

Transportation Projects for Economic Development

*BK0301064294 Hanoi VNA in English 0624 GMT
3 Jan 94*

[Text] Hanoi VNA Jan. 3—A number of transport projects [are] expected to be carried out in the coming years in service of economic development in Vietnam. At present Vietnam has 105,000 km of high-way, 2,600 km of railway, seven main ports and three international airports and 10 domestic airports. But only 12 per cent of roads are surfaced with asphalt and only half of the 8,000 national bridges are permanent ones.

The country has seven railway lines of which the longest one is the Hanoi-Ho Chi Minh City line. This 1,726 km-transviet line, which was restored after the Vietnam war nearly 20 years ago, now needs to be upgraded to meet passengers' demand for time and services. More than 12,000 km of river routes are being used by means of transport but the river-port system is not well prepared. Ports at sea have a better prospect of modernization due to foreign investment. However at the moment there is not any port whose annual capacity of commodities delivered can reach 10 million tonnes. Vietnam's airports, especially Noi Bai, Tan Son Nhat and Danang airports have been upgraded to a considerable extent. But these airports need to be transformed and enlarged with an estimated outlay of USD [U.S. dollars] 300 million. So, from now to the year 2000, USD hundreds of billion must be invested in upgrading the transport system. While people are encouraged to contribute their manpower and part of the funds for the building and repairing of the local road network, the Vietnamese Government focus its financial resources and aid funds and the international cooperation on upgrading the national arteries. Highway No. 5 which connects Hanoi to the port city of Haiphong is planned to be expanded to 20 metres with four lanes for vehicles. The work is the result of loans from Taiwan and Japan. A USD 250 million project to expand Highway No. 18 (linking Bac Ninh, Ha Bac Province to Quang Ninh) has been approved. In the south, the road linking Ho Chi Minh City with Vung Tau will be entirely rehabilitated. Saigon-Long Thanh Express Way together with a bridge lying across Dong Nai river will be completed in the year 2000. The World Bank and the Asian Development Bank will provide fund totalling nearly USD 300 million for the restoration of 1A highway, the road from Hanoi-Vinh and from Ho Chi Minh City to Nha Trang. In addition the Governments of Japan, France, Australia and some international organizations will also fund additional loans for the repair and rebuilding of some bridges. According to the Ministry of Transport and Communications, in the coming time more than ten 100 metre-long bridges will be built with expenditure ranging from USD 5 million to USD 100 million and four

harbours will be upgraded so that they can accommodate vessels of more than 30,000 DWT.

Credit Groups To Sell Shares to Foreigners

*BK0201055894 Hanoi VNA in English 0551 GMT
2 Jan 94*

[Text] Hanoi VNA Jan. 2—The government has issued a new ordinance permitting Vietnamese credit organisations to sell shares to foreign buyers.

The ordinance enclosed with Decision 228/QD-NH5 by the governor general of the Vietnam State Bank was signed to take effect from Dec. 2, 1993.

Under this document, the state bank will allow any Vietnamese commercial stock bank which has had more than one year of profitable operation [to] establish external banking relations, and the governor general of the state bank will allow any commercial stock bank which has a prescribed capital of 50 billion VND [Vietnam dong] (5 million USD) or more to sell shares to foreign share-holders. Shares are payable by foreign share-holders with the US dollar or other convertible foreign currencies, but they must be converted into the

Vietnamese dong at the buy rate announced by the state bank at the time they decide to buy shares.

These shares will bear the names of the foreign share-holders and register the value contributed on Vietnamese dong.

However, a legitimate foreign share-holder or his/her replacement is only allowed to hold at most 10 percent of the prescribed capital of a credit organisation, and the total share-holding of all foreigners in a credit organisation should not exceed 30 percent of its prescribed capital. Foreign share-holders can join the managing council in proportion to the value of the shares they hold, but they will not be allowed to become chairman of the managing council, and a foreign share-holder shall not take part simultaneously in the managing councils of two credit organizations.

After holding the shares for five years foreign share-holders are allowed to transfer their shares to others. The transfer abroad of the annual dividend or of the property left after a Vietnamese credit organisation is dissolved must be made in accordance with the Law on Foreign Investment in Vietnam and with Vietnam's regulations on the control of foreign currencies.

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